

Market Analysis
for
Village Square

Tax Credit (Sec. 42) Apartments
in
Pendleton, South Carolina
Anderson County

Prepared For:

Pendleton Housing, LLLP

By:

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PCN: 15-024



1 FOREWORD

1.1 QUALIFICATIONS STATEMENT

John Wall and Associates has done over 2,500 market analyses, the majority of these being for apartment projects (conventional and government). However, the firm has done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis and GIS projects. Clients include private developers, government officials, syndicators, and lending institutions.

Prior to founding John Wall and Associates, Mr. Wall was the Planning Director for a city of 30,000 where he supervised the work of the Planning Department, including coordinating the activities of and making presentations to both the Planning and Zoning Commission and the Zoning Board of Adjustment and Appeals. His duties included site plan approval, subdivision review, annexation, downtown revitalization, land use mapping program, and negotiation of realistic, workable solutions with various groups.

While in the public and private sectors, Mr. Wall served on the Appalachian Regional Council of Governments Planning and Economic Development Committee for more than seven years.

Mr. Wall has also taught site analysis and site planning part-time at the graduate level for several semesters as a visiting professor at Clemson University College of Architecture, Planning Department.

Mr. Wall holds a Master's degree in City and Regional Planning and a BS degree in Pre-Architecture. In addition, he has studied at the Clemson College of Architecture Center for Building Research and Urban Studies at Genoa, Italy, and at Harvard University in the Management of Planning and Design Firms, Real Estate Finance, and Real Estate Development.

1.2 RELEASE OF INFORMATION

This report shall not be released by John Wall and Associates to persons other than the client and his/her designates for a period of at least sixty (60) days. Other arrangements can be made upon the client's request.

1.3 TRUTH AND ACCURACY

It is hereby attested to that the information contained in this report is true and accurate. The report can be relied upon as a true assessment of the low income housing rental

market. However, no assumption of liability is being made or implied.

1.4 IDENTITY OF INTEREST

The market analyst will receive no fees contingent upon approval of the project by any agency or lending institution, before or after the fact, and the market analyst will have no interest in the housing project.

1.5 CERTIFICATIONS

1.5.1 CERTIFICATION OF PHYSICAL INSPECTION

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full assessment of the need and demand for new rental units.

1.5.2 REQUIRED STATEMENT

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

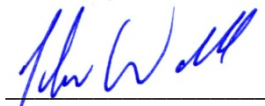
1.5.3 NCHMA MEMBER CERTIFICATION

This market study has been prepared by John Wall and Associates, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects, and Model Content Standards for the Content of Market Studies for Affordable Housing Projects*. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

John Wall and Associates is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. John Wall and Associates is an independent market analyst. No principal or employee of John Wall and Associates has any financial interest whatsoever in the development for which this analysis has been undertaken.

(Note: Information on the National Council of Housing Market Analysts including *Standard Definitions of Key Terms and Model Content Standards* may be obtained by visiting <http://www.housingonline.com/mac/machome.htm>)


Submitted and attested to by:



John Wall, President
JOHN WALL and ASSOCIATES

March 13, 2015

Date



Joe Burriss, Market Analyst
JOHN WALL and ASSOCIATES

March 13, 2015

Date



Bob Rogers, Market Analyst
JOHN WALL and ASSOCIATES

March 13, 2015

Date

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3 INTRODUCTION

3.1 PURPOSE

The purpose of this report is to analyze the apartment market for a specific site in Pendleton, South Carolina.

3.2 SCOPE

Considered in this report are market depth, bedroom mix, rental rates, unit size, and amenities. These items are investigated principally through a field survey conducted by John Wall and Associates. Unless otherwise noted, all charts and statistics are the result of this survey.

In general, only complexes of 30 units or more built since 1980 are considered in the field survey. Older or smaller projects are sometimes surveyed when it helps the analysis. Projects with rent subsidized units are included, if relevant, and noted.

3.3 METHODOLOGY

Three separate approaches to the analysis are used in this report; each is a check on the other. By using three generally accepted approaches, reasonable conclusions can be drawn. The three approaches used are:

- (1) Statistical
- (2) Like-Kind Comparison
- (3) Interviews

The Statistical approach uses Census data and local statistics; 2010 is used as a base year. The population that would qualify for the proposed units is obtained from these figures.

The Like-Kind Comparison approach collects data on projects similar in nature to that which is being proposed and analyzes how they are doing. This approach assesses their strong points, as well as weak points, and compares them with the subject.

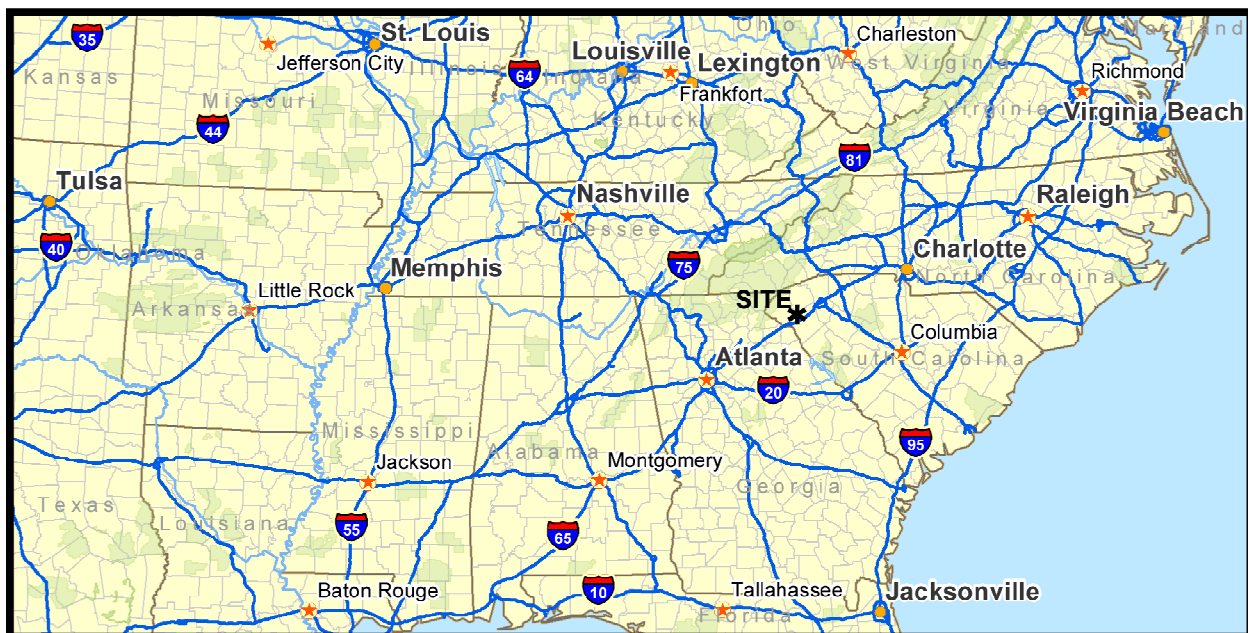
The last section, Interviews, assesses key individuals' special knowledge about the market area. While certainly subjective and limited in perspective, their collective knowledge, gathered and assessed, can offer valuable information.

Taken individually, these three approaches give a somewhat restricted view of the market. However, by examining them together, knowledge sufficient to draw reasonable conclusions can be achieved.

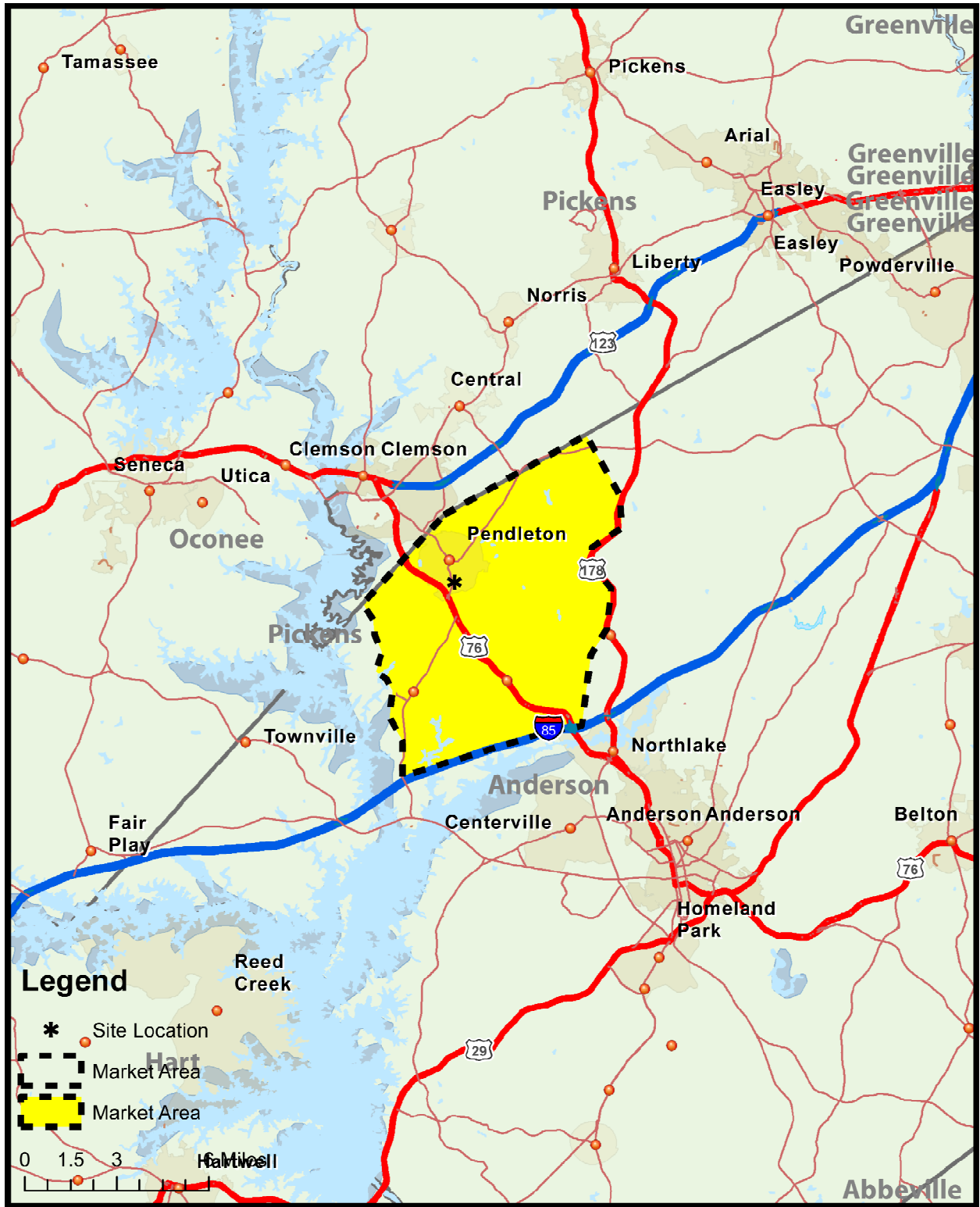
3.4 LIMITATIONS

This market study was written according to the SCSHFDA *Market Study Guide*. To the extent this guide differs from the NCHMA *Standard Definitions of Key Terms or Model Content Standards*, the guide has prevailed.

REGIONAL LOCATOR MAP



AREA LOCATOR MAP



4 EXECUTIVE SUMMARY

The projected completion date of the proposed project is on or before 12/31/2017.

The market area (conservative) consists of Census tracts 106 (50%), 107, and 108 (50%) in Anderson County.

The proposed project consists of 40 units of rehabilitation.

The proposed project is for elderly 62+ households and/or handicapped households, either receiving project-based rental assistance.

4.1 DEMAND

	50% AMI: \$0 to \$20,300	60% AMI: \$0 to \$24,360	Overall Project: \$0 to \$24,360
New Housing Units Required	5	5	5
Rent Overburden Households	27	30	30
Substandard Units	6	6	6
Elderly Tenure	14	16	16
Other: Disability	97	111	111
Demand	149	168	168
Less New Supply	0	0	0
NET DEMAND	149	168	168

4.1.1 OPTIMAL BEDROOM MIX

The following bedroom mix will keep the market in balance over the long term. Individual projects can vary from it.

Bedrooms	Optimal Mix
1	80%
2	20%
3	0%
4	0%
Total	100%

4.1.2 ABSORPTION

The project should be able to maintain 93% occupancy through the rehabilitation.

4.2 CAPTURE RATE

Capture Rate by Unit Size (Bedrooms) and Targeting

50% AMI: \$0 to \$20,300	<u>Demand</u>	<u>%</u>	<u>Proposal</u>	<u>Capture Rate</u>
1-Bedroom	119	80%	8	6.7%
2-Bedrooms	30	20%	0	0.0%
3-Bedrooms	0	0%	0	—
4 or More Bedrooms	0	0%	0	—
Total	149	100%	8	5.4%

60% AMI: \$0 to \$24,360	<u>Demand</u>	<u>%</u>	<u>Proposal</u>	<u>Capture Rate</u>
1-Bedroom	134	80%	32	23.9%
2-Bedrooms	34	20%	0	0.0%
3-Bedrooms	0	0%	0	—
4 or More Bedrooms	0	0%	0	—
Total	168	100%	32	19.1%

Overall Project: \$0 to \$24,360	<u>Demand</u>	<u>%</u>	<u>Proposal</u>	<u>Capture Rate</u>
1-Bedroom	134	80%	40	29.8%
2-Bedrooms	34	20%	0	0.0%
3-Bedrooms	0	0%	0	—
4 or More Bedrooms	0	0%	0	—
Total	168	100%	40	23.9%

* Numbers may not add due to rounding.

The capture rate is not intended to be used in isolation. A low capture rate does not guarantee a successful project, nor does a high capture rate assure failure; the capture rate should be considered in the context of all the other indicators presented in the study. It is one of many factors considered in reaching a conclusion.

Note that the actual capture rate is 0.0%, because no new units will be added to the supply and all the current tenants are income qualified.

4.3 NCHMA CAPTURE RATE

NCHMA defines capture rate as:

The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area. See penetration rate for rate for entire market area.

This definition varies from the capture rate used above.

NCHMA Capture Rate

	<u>Income Qualified Renter Households</u>	<u>Proposal</u>	<u>Capture Rate</u>
50% AMI: \$0 to \$20,300	79	8	10.1%
60% AMI: \$0 to \$24,360	90	32	35.5%
Overall Project: \$0 to \$24,360	90	40	44.4%

4.4 CONCLUSIONS

4.4.1 SUMMARY OF FINDINGS

- The **site** appears suitable for the project. It is already developed as the subject apartments.
- The **neighborhood** is compatible with the project. It is a mixed use area on the edge of town with other residential development nearby.
- The **location** is suitable to the project. Pendleton is a small town, so all goods and services are relatively close to the site, but the grocery store is particularly close (just about ½ mile away).
- The **population and household growth** in the market area is good. The market area will grow by 168 households from 2014 to 2017.
- The local **economy** has been improving.
- The **demand** for the project is reasonable. Overall demand is 168, but the subject will not be adding any new units to the market.
- The **capture rates** for the project are reasonable. The overall Tax Credit capture rate is 23.9%, but the effective capture rate is 0.0% because the subject is not adding any additional units and it is already 100% occupied.
- Aside from the subject itself, there are no **comparable** apartments (i.e. elderly with rental assistance). Heritage at Riverwood and Heritage Pointe will be used for market rent comparables.
- The **average LIHTC vacancy rate** for units surveyed without PBRA is 1.8%.
- The **rents**, given prevailing rents, vacancy rates, and concessions in the market area, are good because they are based on income.
- The proposed **bedroom mix** is reasonable for the market.
- The **unit sizes** are appropriate for the project.
- The subject's **amenities** are good and comparable or superior to similarly priced apartments. The new amenities will be good additions to the subject.
- The subject's **value** should be perceived as good.
- The subject's **affordability** is good.
- Those **interviewed** felt the project should be successful.
- The proposal would have no **impact** on existing LIHTC projects.

4.4.2 RECOMMENDATIONS

None

4.4.3 NOTES

No new units will be added to the market area.

4.4.3.1 STRENGTHS

RD Rental Assistance on all units

Attractive setting

Convenient to goods and services

4.4.3.2 WEAKNESSES

None

4.4.4 CONCLUSION

The subject should be successful, as proposed.

4.5 SCSHFDA EXHIBIT S-2

1/4/15

2015 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:			
Development Name:	Village Square	Total # Units:	40
Location:	Pendleton	# LIHTC Units:	40
PMA Boundary:	County line to Sandy Springs		
Development Type:	Family <input type="checkbox"/> Older Persons <input checked="" type="checkbox"/>	Farthest Boundary Distance to Subject:	6 miles

RENTAL HOUSING STOCK (found on page 52)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	242	1	100%
Market-Rate Housing	2	56	1	98.2%
Assisted/Subsidized Housing not to include LIHTC	3	186	0	100%
LIHTC (All that are stabilized)*	0	0	0	n/a
Stabilized Comps**	n/a	n/a	n/a	n/a
Non-stabilized Comps	n/a	n/a	n/a	n/a

* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

** Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	1	1	625	495	559	1.13	11.45%	\$570	1.10
32	1	1	625	495	559	1.13	11.45%	\$570	1.10
Gross Potential Rent Monthly*				\$19,800	\$22,360		11.45%		

*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

DEMOGRAPHIC DATA (found on page 9, 32)						
	2000		2014		2017	
Renter Households (62+)	435	27.4%	482	27.4%	507	27.4%
Income-Qualified Renter HHs (LIHTC)	139	37.1%	203	42.2%	214	42.2%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 8)						
Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	5	5				5
Existing Households (Overburd)	27	30				30
Existing Households (Substand)	6	6				6
Homeowner conversion (Seniors)	14	16				16
Other: disability	97	111				111
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	149	168				168

CAPTURE RATES (found on page 9)						
Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate (effective)	0.0%	0.0%				0.0%
Capture Rate (additional demand)	5.4%	19.1%				23.9%

ABSORPTION RATE (found on page 7)	
Absorption Period	0 months

4.6 RENT CALCULATION WORKSHEET

2015 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
40	1 BR	\$495	\$19,800	\$559	\$22,360	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$19,800		\$22,360	11.45%

5 PROJECT DESCRIPTION

The project description is provided by the developer.

5.1 DEVELOPMENT LOCATION

The site is on the south side of Pendleton, South Carolina. It is located at 115 Shirley Street.

5.2 CONSTRUCTION TYPE

Rehabilitation

5.3 OCCUPANCY

The proposal is for occupancy by elderly 62+ and/or handicapped households.

5.4 TARGET INCOME GROUP

Low income

5.5 SPECIAL POPULATION

Three units designed for mobility impaired, one unit designed for vision impaired, and one unit designed for hearing impaired

5.6 STRUCTURE TYPE

Flat; the subject has one community and 11 residential buildings. The residential buildings have one floor.

Floor plans and elevations were not available at the time the study was conducted but the actual buildings were observed.

5.7 UNIT SIZES, RENTS AND TARGETING

<u>AMI</u>	<u>Bedrooms</u>	<u>Baths</u>	<u>Number of Units</u>	<u>Square Feet</u>	<u>Net Rent</u>	<u>Utility Allow.</u>	<u>Gross Rent</u>	<u>Target Population</u>
50%	1	1	8	625	495	71	566	PBRA
60%	1	1	32	625	495	71	566	PBRA
	Total Units		40					
	Tax Credit Units		40					
	PBRA Units		40					
	Mkt. Rate Units		0					

These *pro forma* rents will be evaluated in terms of the market in the Supply section of the study.

5.8 DEVELOPMENT AMENITIES

Laundry room, community center, computer room, fitness center, and gazebo

5.9 UNIT AMENITIES

Refrigerator, stove, microwave, washer/dryer connections, ceiling fan, HVAC, blinds, and pre-wired telephone/cable

5.10 UTILITIES INCLUDED

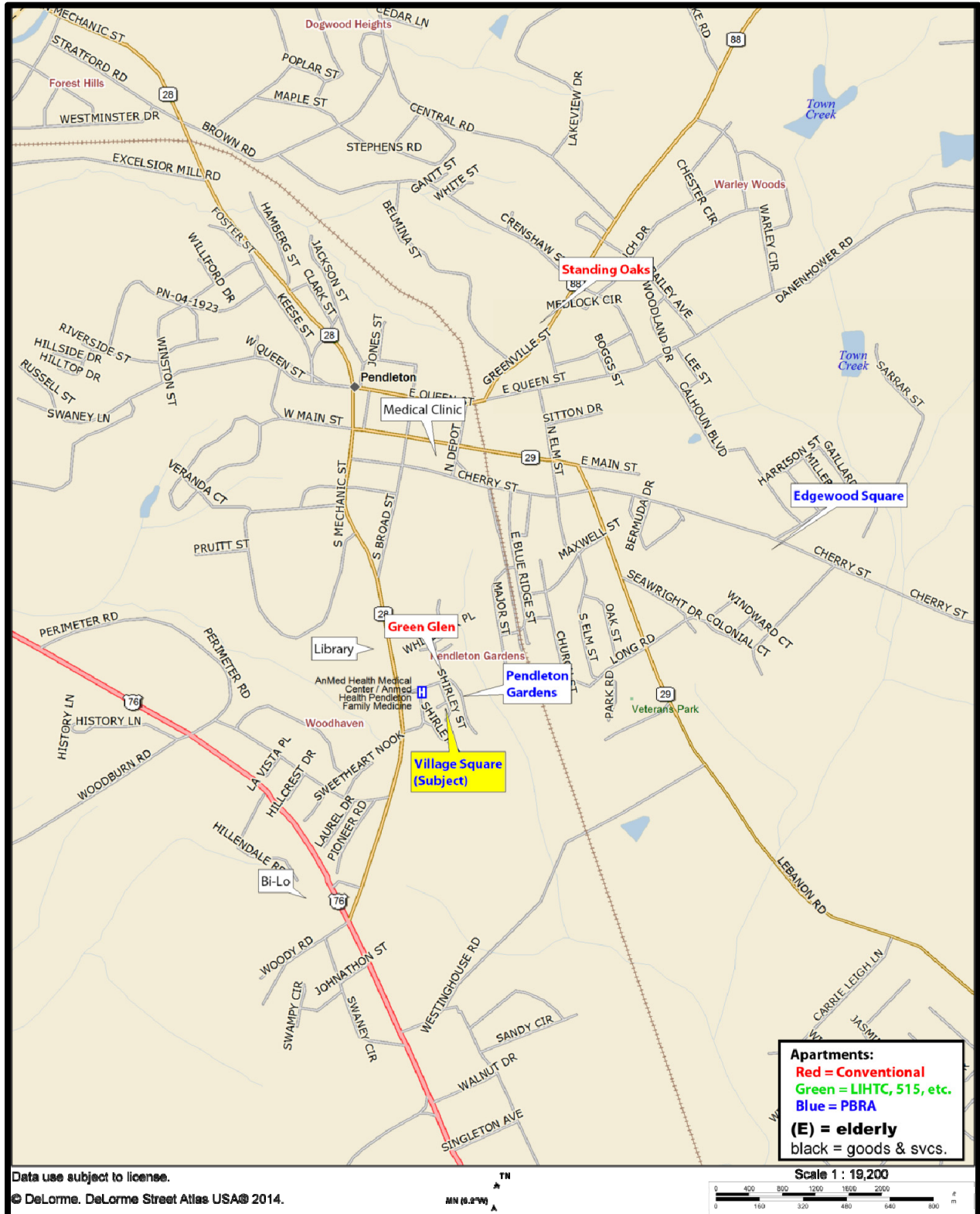
Water, sewer, and trash

5.11 PROJECTED CERTIFICATE OF OCCUPANCY DATE

It is anticipated that the subject will have its final certificates of occupancy on or before 12/31/2017.

6 SITE EVALUATION

SITE LOCATION MAP



NEIGHBORHOOD MAP



6.1 DATE OF SITE VISIT

Bob Rogers visited the site on February 28, 2015.

6.2 DESCRIPTION OF SITE AND ADJACENT PARCELS

In addition to the following narrative, a visual description of the site and the adjacent parcels is provided in the maps on the preceding pages and the photographs on the following pages.

6.3 VISIBILITY AND CURB APPEAL

The site is adjacent to the post office, so it has excellent visibility.

6.4 ACCESS AND INGRESS

Access to the site is from Shirley Drive. There are no problems with access and ingress.

6.5 PHYSICAL CONDITIONS

The site is currently developed as the subject apartments. There are mature trees on the site.

6.6 ADJACENT LAND USES AND CONDITIONS

- N: Green Glen Apartments and a dance studio
- E: Pendleton Gardens Apartments
- S: Woods then new single family homes
- W: U.S. Post Office and an undeveloped field

6.7 VIEWS

There are no views out from the site that could be considered negative.

6.8 NEIGHBORHOOD

The neighborhood has a mixture of uses, typical of a small town.

6.9 SHOPPING, GOODS, SERVICES AND AMENITIES

There is a Bi-Lo shopping center about 2/3 mile from the site. Other goods and services are available in the area.

6.10 EMPLOYMENT OPPORTUNITIES

There are limited employment opportunities in Pendleton.

6.11 TRANSPORTATION

The subject is near Mechanic Street, which is South Carolina Highway 28. It is a short distance to US Highway 76, which is the main highway in the area.

The Clemson Area Transit (CAT) provides public transportation in Pendleton, Clemson, Central, and Seneca. The Pendleton Route runs along S. Mechanic Street, 0.2 mile from site. Residents at the subject can walk to S. Mechanic Street and wave at the bus to ride. There is no fare for the CAT bus. It is a free public service. CAT busses are ADA equipped. The

Pendleton Route operates Monday through Friday from 6:55 a.m. to 6:45 p.m. except on major holidays.

6.12 OBSERVED VISIBLE ENVIRONMENTAL OR OTHER CONCERNS

There were no environmental or other concerns observed.

6.13 CRIME

According to the FBI, in 2013 the following crimes were reported to police:

Crimes Reported to Police

	<u>City</u>	<u>County</u>
Population:	—	
Violent Crime	—	803
Murder	—	8
Rape	—	63
Robbery	—	142
Assault	—	590
Property Crime	—	7,617
Burglary	—	2,169
Larceny	—	4,776
Motor Vehicle Theft	—	672
Arson	—	23

Source: 2013 Table 8 and Table 10, *Crime in the United States 2013*

http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2013/crime-in-the-u.s.-2013/tables/table-8/table_8_offenses_known_to_law_enforcement_by_state_by_city_2013.xls/view

http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2013/crime-in-the-u.s.-2013/tables/table-10/table_10_offenses_known_to_law_enforcement_by_state_by_metropolitan_and_nonmetropolitan_counties_2013.xls/view

Detailed crime statistics for the neighborhood are not available. The site does not appear to be in a problematic area.

6.14 CONCLUSION

The site is well suited for the proposed rehabilitation.

SITE AND NEIGHBORHOOD PHOTOS AND ADJACENT LAND USES MAP



6.15 SITE AND NEIGHBORHOOD PHOTOS



Photo 1—Subject units



Photo 2—Green space on the subject property



Photo 3—Subject units



Photo 4 — One of the entrance signs. The subject is on the right; Pendleton Gardens is on the left.



Photo 5—The building with the leasing office



Photo 6—Subject units



Photo 7—The main subject entrance, looking out from the site near the office



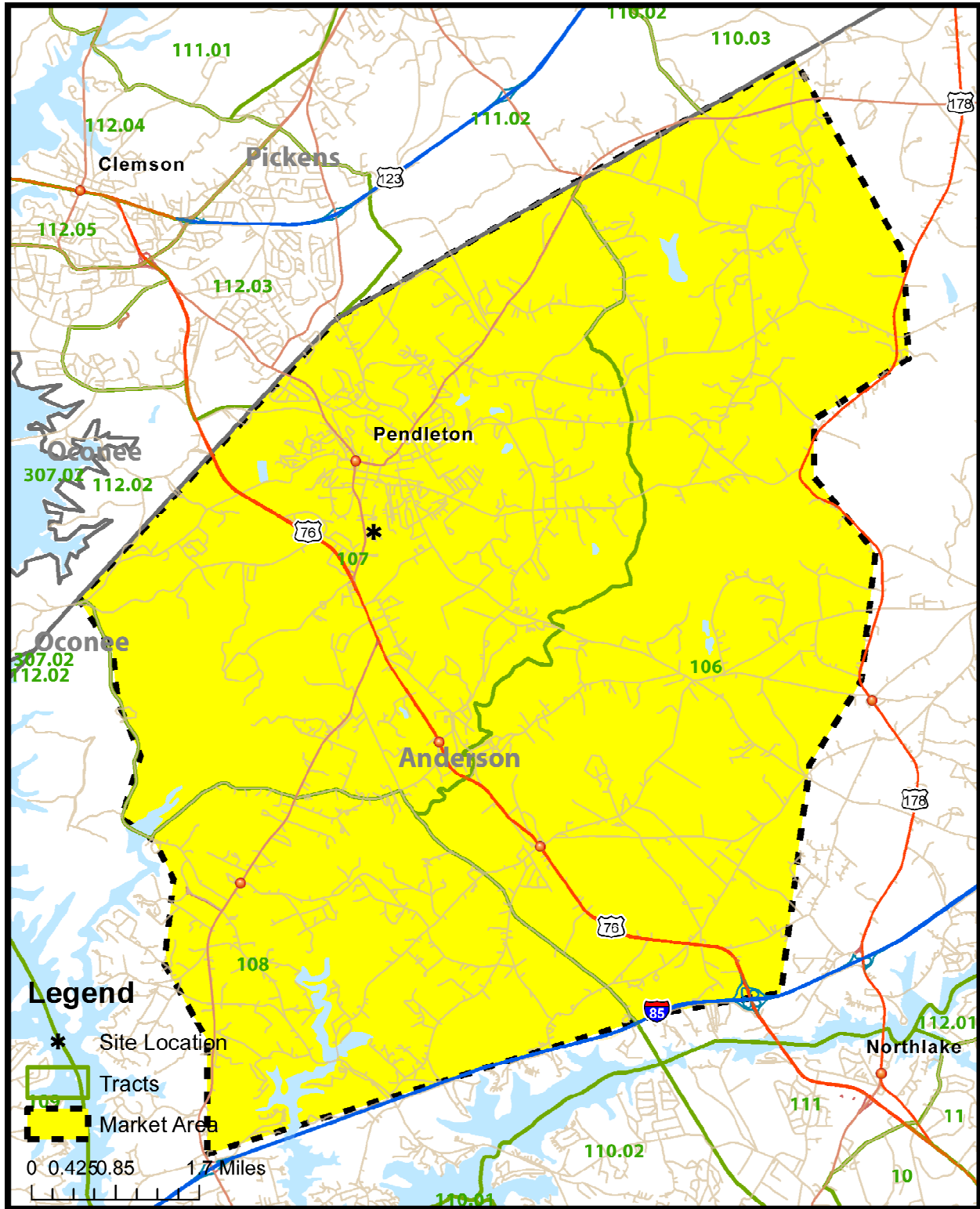
Photo 8—The U.S. Post Office adjacent to the site



Photo 9—The view looking out from the site at Shirley Street. The cars in the distance are on the main road through Pendleton, Mechanic Street (a.k.a. S.C. 28).

7 MARKET AREA

MARKET AREA MAP



7.1 MARKET AREA DETERMINATION

The market area is the community where the project will be located and only those outlying rural areas that will be significantly impacted by the project, generally excluding other significant established communities. The market area is considered to be the area from which most of the prospective tenants will be drawn. Some people will move into the market area from nearby towns, while others will move away. These households are accounted for in the "Household Trends" section. The border of the market area is based on travel time, commuting patterns, the gravity model, physical boundaries, and the distribution of renters in the area. The analyst visits the area before the market area definition is finalized.

Housing alternatives and local perspective will be presented in the Development Comparisons section of this report.

7.2 DRIVING TIMES AND PLACE OF WORK

Commuter time to work is shown below:

Workers' Travel Time to Work for the Market Area (Time in Minutes)

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total:	1,914,792		75,935		5,013		1,121	
Less than 5 minutes	61,660	3.2%	2,846	3.7%	102	2.0%	43	3.8%
5 to 9 minutes	199,805	10.4%	7,897	10.4%	471	9.4%	228	20.3%
10 to 14 minutes	289,667	15.1%	11,969	15.8%	554	11.1%	185	16.5%
15 to 19 minutes	333,122	17.4%	12,803	16.9%	904	18.0%	115	10.3%
20 to 24 minutes	314,842	16.4%	12,129	16.0%	883	17.6%	168	15.0%
25 to 29 minutes	120,838	6.3%	5,373	7.1%	402	8.0%	83	7.4%
30 to 34 minutes	262,448	13.7%	9,373	12.3%	621	12.4%	120	10.7%
35 to 39 minutes	51,510	2.7%	2,402	3.2%	151	3.0%	0	0.0%
40 to 44 minutes	56,004	2.9%	2,494	3.3%	198	3.9%	36	3.2%
45 to 59 minutes	126,794	6.6%	5,347	7.0%	434	8.7%	43	3.8%
60 to 89 minutes	65,409	3.4%	2,161	2.8%	237	4.7%	77	6.9%
90 or more minutes	32,693	1.7%	1,141	1.5%	59	1.2%	23	2.1%

Source: 2011-5yr ACS (Census)

7.3 MARKET AREA DEFINITION

The market area for this report has been defined as Census tracts 106 (50%), 107, and 108 (50%) in Anderson County (2010 Census). The market area is defined in terms of standard US Census geography so it will be possible to obtain accurate, verifiable information about it. The Market Area Map highlights this area.

7.3.1 SECONDARY MARKET AREA

The secondary market area for this report has been defined as northern Anderson County and southern Pickens County. Demand will neither be calculated for, nor derived from, the secondary market area.

8 DEMOGRAPHIC ANALYSIS

8.1 POPULATION

8.1.1 POPULATION TRENDS

Housing demand is most closely associated with population trends. While no population projection presently exists for the market area, one is calculated from existing figures and shown below.

Population Trends and Projections

	State	County	Market Area	City
2000	4,012,012	165,740	10,634	2,966
2008	4,511,428	183,691	11,382	2,961
2010	4,625,364	187,126	11,845	2,964
2014	4,870,705	195,680	12,329	2,963
2017	5,054,710	202,096	12,693	2,963

Sources: 2000 Census; 2010 5yr ACS (Census); 2010 Census; others by John Wall and Associates from figures shown

As seen in the table above, the population in the market area was 12,329 in 2014 and is projected to increase by 363 persons from 2014 to 2017.

8.1.2 ELDERLY POPULATION TRENDS

The population trends for elderly age groups are of interest as an indicator of the future need for elderly apartments. *The proposal is for elderly 62+.*

Elderly Population Trends and Projections for the Market Area

	55+	62+	65+
2000	2,605	1,707	1,413
2007	3,578	2,401	1,955
2010	3,586	2,392	1,894
2014	3,597	2,380	1,813
2017	3,605	2,371	1,752
Growth 2014 to 2017	8	-9	-61

Sources: 2000 Census; 2010 5yr ACS (Census); 2010 Census; others by John Wall and Associates from figures shown

As can be seen in the table above, in the elderly 62+ category, there were 2,380 persons in 2014, and there are projected to be 2,371 in 2017, which indicates a change of -9 persons between 2014 and 2017.

8.1.3 AGE

Population is shown below for several age categories. The percent figures are presented in such a way as to easily compare the market area to the state, which is a "norm." This will point out any peculiarities in the market area.

Persons by Age

	State	%	County	%	Market Area	%	City	%
Total	4,625,364		187,126		11,845		2,964	
Under 20	1,224,425	26.8%	49,815	26.8%	2,766	23.7%	599	20.1%
20 to 34	924,550	20.2%	32,210	17.3%	2,201	18.8%	714	24.0%
35 to 54	1,260,720	27.6%	52,609	28.3%	3,301	28.2%	690	23.1%
55 to 61	418,651	9.1%	17,116	9.2%	1,194	10.2%	282	9.5%
62 to 64	165,144	3.6%	7,047	3.8%	498	4.3%	91	3.1%
65 plus	631,874	13.8%	28,329	15.3%	1,894	16.2%	588	19.7%
55 plus	1,215,669	26.6%	52,492	28.3%	3,586	30.7%	961	32.2%
62 plus	797,018	17.4%	35,376	19.1%	2,392	20.5%	679	22.8%

Source: 2010 Census

8.1.4 RACE AND HISPANIC ORIGIN

The racial composition of the market area does not factor into the demand for units; the information below is provided for reference.

Note that "Hispanic" is not a racial category. "White," "Black," and "Other" represent 100% of the population. Some people in each of those categories also consider themselves "Hispanic." The percent figures allow for a comparison between the state ("norm") and the market area.

Race and Hispanic Origin

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total	4,625,364		187,126		11,845		2,964	
Not Hispanic or Latino	4,389,682	94.9%	181,679	97.1%	11,625	98.1%	2,917	98.4%
White	2,962,740	64.1%	147,362	78.8%	9,368	79.1%	2,112	71.3%
Black or African American	1,279,998	27.7%	29,810	15.9%	1,924	16.2%	684	23.1%
American Indian	16,614	0.4%	420	0.2%	26	0.2%	6	0.2%
Asian	58,307	1.3%	1,384	0.7%	97	0.8%	35	1.2%
Native Hawaiian	2,113	0.0%	29	0.0%	6	0.1%	1	0.0%
Some Other Race	5,714	0.1%	183	0.1%	14	0.1%	5	0.2%
Two or More Races	64,196	1.4%	2,491	1.3%	190	1.6%	74	2.5%
Hispanic or Latino	235,682	5.1%	5,447	2.9%	220	1.9%	47	1.6%
White	97,260	2.1%	2,456	1.3%	113	1.0%	30	1.0%
Black or African American	10,686	0.2%	210	0.1%	10	0.1%	6	0.2%
American Indian	2,910	0.1%	58	0.0%	6	0.1%	3	0.1%
Asian	744	0.0%	21	0.0%	0	0.0%	0	0.0%
Native Hawaiian	593	0.0%	14	0.0%	1	0.0%	1	0.0%
Some Other Race	107,750	2.3%	2,317	1.2%	74	0.6%	5	0.2%
Two or More Races	15,739	0.3%	371	0.2%	17	0.1%	2	0.1%

Source: 2010 Census

Note that the "Native Hawaiian" category above also includes "Other Pacific Islander" and the "American Indian" category also includes "Alaska Native."

8.1.5 REQUIRED SCSHFDA TABLE FOR CENSUS TRACT 107

The following table is required by Bulletin #2—Revised, dated February 18, 2015.

<u>Minority Group</u>	<u>Statewide Pct.</u>	<u>Concentration Threshold</u>	<u>Tract Number</u>	<u>Tract Percent</u>
Total Minority Population	33.8	53.8	1,757	30.6
Black or African American	27.9	47.9	1,509	26.3
American Indian and Alaska Native	0.4	20.4	45	0.8
Asian	1.3	21.3	76	1.3
Native Hawaiian and Other Pacific Islander	0.1	20.1	7	0.1
Hispanic or Latino	5.1	25.1	142	2.5

Total Minority = 5,741 - 4,057 + 70 = 1,757 (i.e., Total population less non-Hispanic white alone.)

Source: QT-P6; Calculations by John Wall and Associates

8.1.6 RACE ALONE OR IN COMBINATION AND HISPANIC OR LATINO FOR CENSUS TRACT 107

	Tract Number
Total population (all races)	5,741
WHITE	
White alone or in combination [1]	4,177
Hispanic or Latino	73
White alone	4,057
Hispanic or Latino	70
BLACK OR AFRICAN AMERICAN	
Black or African American alone or in combination [1]	1,509
Hispanic or Latino	13
Black or African American alone	1,426
Hispanic or Latino	9
AMERICAN INDIAN AND ALASKA NATIVE	
American Indian and Alaska Native alone or in combination [1]	45
Hispanic or Latino	4
American Indian and Alaska Native alone	11
Hispanic or Latino	3
ASIAN	
Asian alone or in combination [1]	76
Hispanic or Latino	0
Asian alone	59
Hispanic or Latino	0
NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER	
Native Hawaiian and Other Pacific Islander alone or in combination [1]	7
Hispanic or Latino	1
Native Hawaiian and Other Pacific Islander alone	6
Hispanic or Latino	1
SOME OTHER RACE	
Some Other Race alone or in combination [1]	61
Hispanic or Latino	51
Some Other Race alone	53
Hispanic or Latino	47

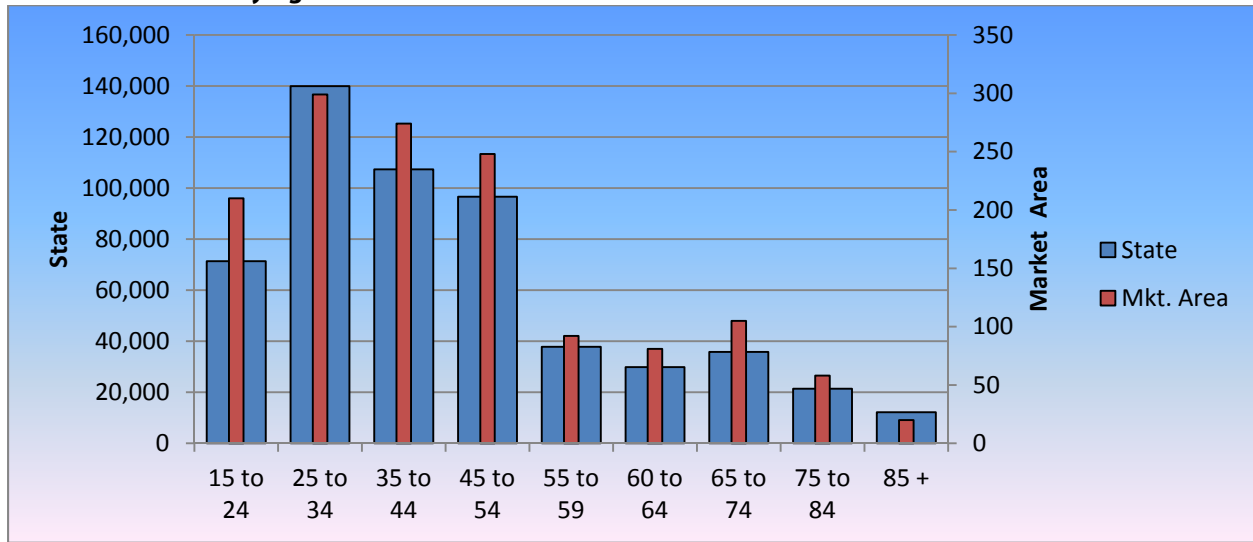
X Not applicable.

[1] The race concept "alone or in combination" includes people who reported a single race alone (e.g., Asian) and people who reported that race in combination with one or more of the other race groups (i.e., White, Black or African American, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Some Other Race). The "alone or in combination" concept, therefore, represents the maximum number of people who reported as that race group, either alone, or in combination with another race(s). The sum of the six individual race "alone or in combination" categories may add to more than the total population because people who reported more than one race are tallied in each race category.

Source: 2010 Census, QT-P6

8.2 HOUSEHOLDS

Renter Households by Age of Householder



Source: 2010 Census

The graph above shows the relative distribution of households by age in the market area as compared to the state.

8.2.1 HOUSEHOLD TRENDS

The following table shows the change in the number of households between the base year and the projected year of completion.

Household Trends and Projections

	<u>State</u>	<u>County</u>	<u>Market Area</u>	<u>City</u>
2000	1,533,854	65,649	4,497	1,397
2008	1,741,994	71,973	4,647	1,179
2010	1,801,181	73,829	5,057	1,412
2014	1,908,112	77,101	5,281	1,418
2017	1,988,310	79,555	5,449	1,423
Growth 2014 to 2017	80,198	2,454	168	5

Sources: 2000 Census; 2010 5yr ACS (Census); 2010 Census; others by John Wall and Associates from figures shown

In 2000, the market area had 4,497 households and thus a demand for the same number of housing units (because each household lives in its own housing unit). Similarly, there were 5,281 households in 2014, and there will be 5,449 in 2017. These figures indicate that the market area needs to provide 168 housing units from 2014 to 2017.

8.2.2 ELDERLY HOUSEHOLD TRENDS

The following table shows the number of households in various elderly categories for several years.

Elderly Household Trends and Projections for the Market Area

	<u>55+</u>	<u>62+</u>	<u>65+</u>
2000	1,658	1,160	947
2008	2,241	1,581	1,298
2010	2,291	1,588	1,287
2014	2,544	1,759	1,423
2017	2,696	1,849	1,486
Growth 2014 to 2017	152	89	63

Sources: 2000 Census; 2010 5yr ACS (Census); 2011 Census; others by John Wall and Associates from figures shown

As can be seen in the table above, in the 62+ category, the number of households in 2014 was 1,759. In 2017, there are projected to be 1,849. This indicates a need for 89 additional housing units by the year of completion to account for growth in the 62+ age category.

8.2.3 HOUSEHOLD TENURE

The tables below show how many units are occupied by owners and by renters. The percent of the households in the market area that are occupied by renters will be used later in determining the demand for new rental housing.

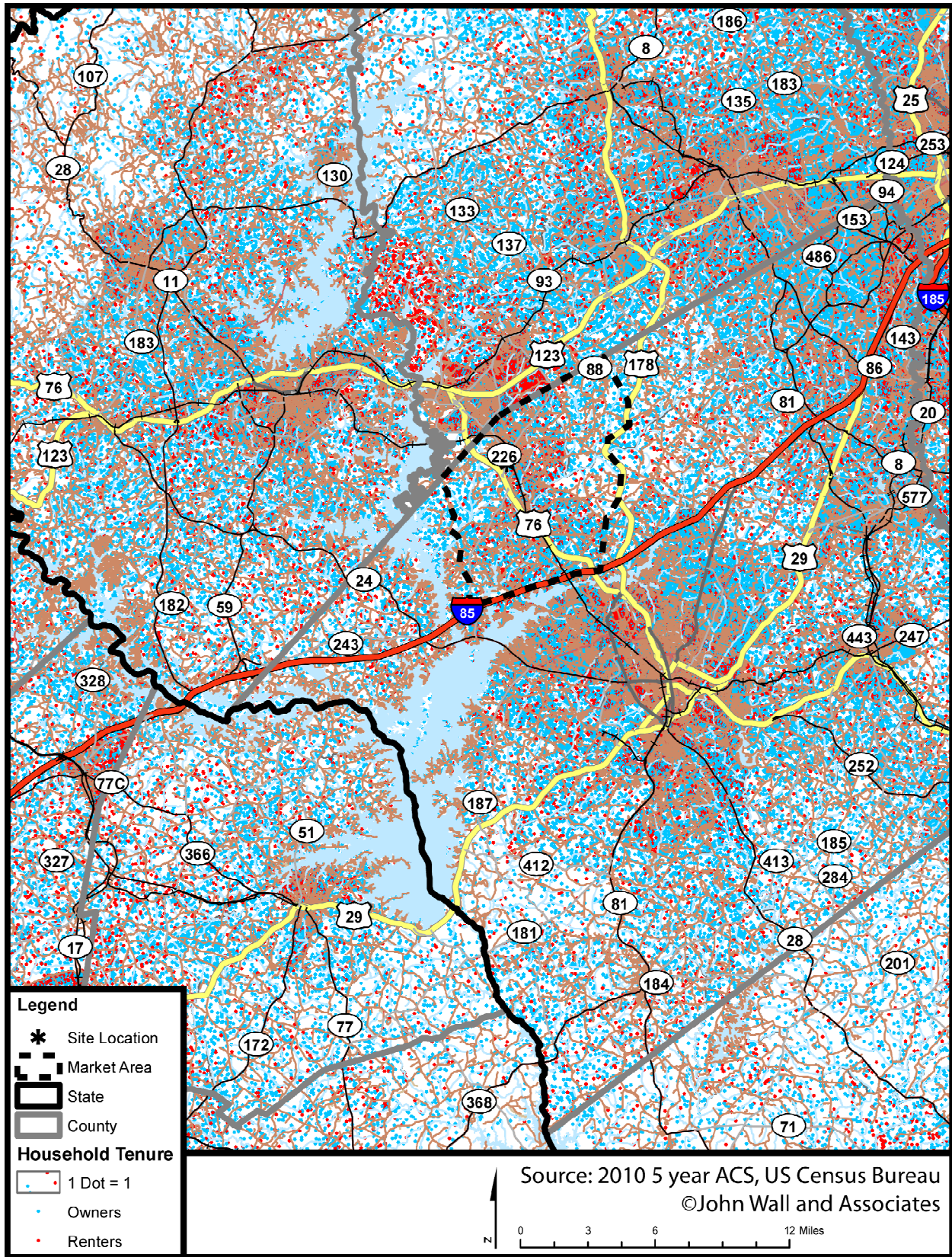
Occupied Housing Units by Tenure

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Households	1,801,181	—	73,829	—	5,057	—	1,412	—
Owner	1,248,805	69.3%	53,015	71.8%	3,672	72.6%	829	58.7%
Renter	552,376	30.7%	20,814	28.2%	1,385	27.4%	583	41.3%

Source: 2010 Census

From the table above, it can be seen that 27.4% of the households in the market area rent. This percentage will be used later in the report to calculate the number of general occupancy units necessary to accommodate household growth.

TENURE MAP



8.2.4 ELDERLY HOUSEHOLD TENURE

The table below shows tenure by age. The percentage calculated is the percent owners or renters in each age group.

Occupied Housing Units by Tenure by Age

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Owner occupied:	1,248,805	69.3%	53,015	71.8%	3,672	72.6%	829	58.7%
15 to 24 years	17,132	19.4%	735	25.1%	73	25.8%	15	10.9%
25 to 34 years	127,978	47.8%	5,100	51.8%	384	56.2%	100	46.3%
35 to 44 years	208,648	66.0%	8,821	67.6%	524	65.7%	95	52.5%
45 to 54 years	271,475	73.8%	11,526	75.2%	758	75.3%	129	56.8%
55 to 59 years	138,407	78.5%	5,617	79.5%	386	80.8%	79	69.9%
60 to 64 years	139,143	82.3%	5,865	82.1%	445	84.6%	90	73.8%
65 to 74 years	200,422	84.8%	8,644	84.8%	646	86.0%	155	73.8%
75 to 84 years	111,323	83.9%	5,117	83.4%	341	85.5%	115	79.3%
85 +	34,277	73.8%	1,590	74.0%	117	85.4%	51	83.6%
Renter occupied:	552,376	30.7%	20,814	28.2%	1,385	27.4%	583	41.3%
15 to 24 years	71,339	80.6%	2,195	74.9%	210	74.2%	122	89.1%
25 to 34 years	139,948	52.2%	4,745	48.2%	299	43.8%	116	53.7%
35 to 44 years	107,375	34.0%	4,221	32.4%	274	34.3%	86	47.5%
45 to 54 years	96,611	26.2%	3,805	24.8%	248	24.7%	98	43.2%
55 to 59 years	37,837	21.5%	1,448	20.5%	92	19.2%	34	30.1%
60 to 64 years	29,875	17.7%	1,279	17.9%	81	15.4%	32	26.2%
65 to 74 years	35,816	15.2%	1,544	15.2%	105	14.0%	55	26.2%
75 to 84 years	21,381	16.1%	1,017	16.6%	58	14.5%	30	20.7%
85 +	12,194	26.2%	560	26.0%	20	14.6%	10	16.4%

Source: 2010 Census

From the table above, tenure can be determined for various age groups of interest for the market area.

Occupied Housing Units by Tenure by Age for the Market Area

	<u>Owners</u>	<u>%</u>	<u>Renters</u>	<u>%</u>
55 +	1,935	84.5%	356	15.5%
62 +	1,371	85.5%	232	14.5%
65 +	1,104	85.8%	183	14.2%

Source: 2010 Census

8.2.5 HOUSEHOLD SIZE

Household size is another characteristic that needs to be examined. The household size of those presently renting can be used as a strong indicator of the bedroom mix required. Renters and owners have been shown separately in the tables below because the make-up of owner-occupied units is significantly different from that of renters. A comparison of the percent figures for the market area and the state (“norm”) is often of interest.

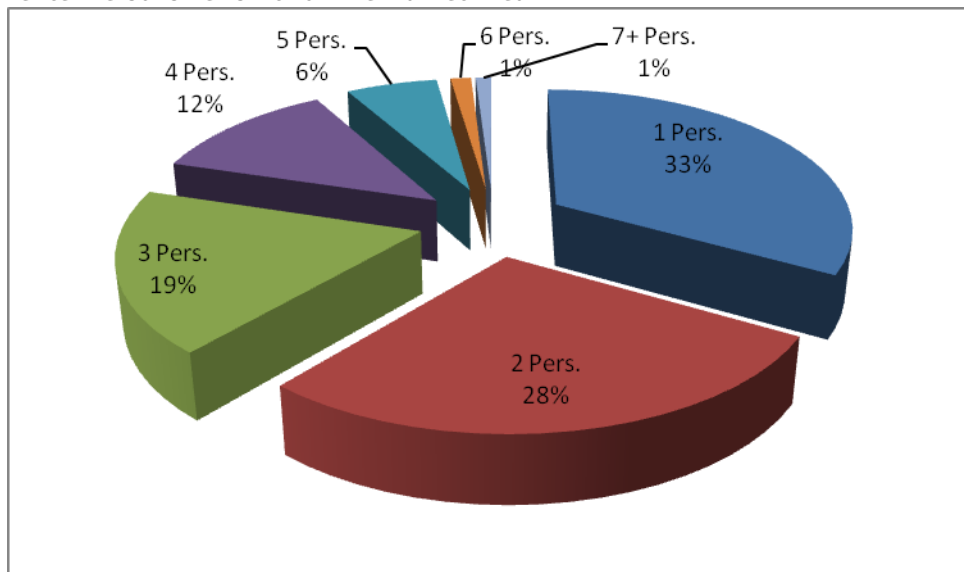
Housing Units by Persons in Unit

	<u>State</u>		<u>County</u>		<u>Market Area</u>		<u>City</u>	
Owner occupied:	1,248,805	—	53,015	—	3,672	—	829	—
1-person	289,689	23.2%	11,749	22.2%	972	26.5%	304	36.7%
2-person	477,169	38.2%	20,552	38.8%	1,542	42.0%	336	40.5%
3-person	210,222	16.8%	8,957	16.9%	527	14.4%	102	12.3%
4-person	164,774	13.2%	7,348	13.9%	412	11.2%	60	7.2%
5-person	69,110	5.5%	2,981	5.6%	150	4.1%	22	2.7%
6-person	24,016	1.9%	968	1.8%	47	1.3%	3	0.4%
7-or-more	13,825	1.1%	460	0.9%	24	0.7%	2	0.2%
Renter occupied:	552,376	—	20,814	—	1,385	—	583	—
1-person	188,205	34.1%	6,977	33.5%	444	32.1%	208	35.7%
2-person	146,250	26.5%	5,626	27.0%	395	28.5%	173	29.7%
3-person	93,876	17.0%	3,537	17.0%	253	18.3%	105	18.0%
4-person	67,129	12.2%	2,580	12.4%	173	12.5%	62	10.6%
5-person	33,904	6.1%	1,279	6.1%	80	5.8%	30	5.1%
6-person	13,817	2.5%	497	2.4%	26	1.9%	3	0.5%
7-or-more	9,195	1.7%	318	1.5%	16	1.2%	2	0.3%

Source: 2010 Census

The percent and number of large (5 or more persons) households in the market is an important fact to consider in projects with a significant number of 3 or 4 bedroom units. In such cases, this fact has been taken into account and is used to refine the analysis. It also helps to determine the upper income limit for the purpose of calculating demand. In the market area, 8.8% of the renter households are large, compared to 10.3% in the state.

Renter Persons Per Unit For The Market Area



8.2.6 HOUSEHOLD INCOMES

The table below shows the number of households (both renter and owner) that fall within various income ranges for the market area.

Number of Households in Various Income Ranges

	State	%	County	%	Market Area	%	City	%
Total:	1,758,732		72,519		4,936		1,340	
Less than \$10,000	161,299	9.2%	6,361	8.8%	339	6.9%	204	15.2%
\$10,000 to \$14,999	114,539	6.5%	5,158	7.1%	394	8.0%	176	13.1%
\$15,000 to \$19,999	111,169	6.3%	4,982	6.9%	357	7.2%	99	7.4%
\$20,000 to \$24,999	109,908	6.2%	5,101	7.0%	321	6.5%	97	7.2%
\$25,000 to \$29,999	102,925	5.9%	4,382	6.0%	344	7.0%	73	5.4%
\$30,000 to \$34,999	102,087	5.8%	4,624	6.4%	200	4.1%	13	1.0%
\$35,000 to \$39,999	95,708	5.4%	3,772	5.2%	263	5.3%	85	6.3%
\$40,000 to \$44,999	88,704	5.0%	3,200	4.4%	215	4.4%	40	3.0%
\$45,000 to \$49,999	76,909	4.4%	2,724	3.8%	290	5.9%	109	8.1%
\$50,000 to \$59,999	148,132	8.4%	6,587	9.1%	491	9.9%	104	7.8%
\$60,000 to \$74,999	174,323	9.9%	7,538	10.4%	524	10.6%	53	4.0%
\$75,000 to \$99,999	199,795	11.4%	8,216	11.3%	646	13.1%	190	14.2%
\$100,000 to \$124,999	116,342	6.6%	4,706	6.5%	215	4.4%	71	5.3%
\$125,000 to \$149,999	61,272	3.5%	2,063	2.8%	106	2.1%	0	0.0%
\$150,000 to \$199,999	51,528	2.9%	1,949	2.7%	144	2.9%	12	0.9%
\$200,000 or more	44,092	2.5%	1,156	1.6%	92	1.9%	14	1.0%

Source: 2011-5yr ACS (Census)

8.2.7 ELDERLY HOUSEHOLD INCOMES

The number and percent of elderly households are shown in the table below.

Number of Elderly Households in Various Income Ranges

	State	%	County	%	Market Area	%	City	%
Under 55	1,019,485		40,357		2,705		648	
Less than \$10,000	96,004	9.4%	3,799	9.4%	213	7.9%	140	21.5%
\$10,000 to \$14,999	51,294	5.0%	2,010	5.0%	146	5.4%	68	10.5%
\$15,000 to \$19,999	56,901	5.6%	2,376	5.9%	143	5.3%	29	4.5%
\$20,000 to \$24,999	57,348	5.6%	2,253	5.6%	156	5.7%	48	7.3%
\$25,000 to \$29,999	57,588	5.6%	2,336	5.8%	219	8.1%	51	7.9%
\$30,000 to \$34,999	58,630	5.8%	2,686	6.7%	162	6.0%	13	2.0%
\$35,000 to \$39,999	56,834	5.6%	1,815	4.5%	92	3.4%	9	1.3%
\$40,000 to \$44,999	53,039	5.2%	1,783	4.4%	139	5.1%	34	5.2%
\$45,000 to \$49,999	45,460	4.5%	1,523	3.8%	132	4.9%	43	6.6%
\$50,000 to \$59,999	90,078	8.8%	3,987	9.9%	315	11.6%	60	9.3%
\$60,000 to \$74,999	108,019	10.6%	4,615	11.4%	312	11.5%	6	0.9%
\$75,000 to \$99,999	125,719	12.3%	5,350	13.3%	396	14.6%	107	16.5%
\$100,000 to \$124,999	71,681	7.0%	2,901	7.2%	126	4.6%	42	6.5%
\$125,000 to \$149,999	36,353	3.6%	1,171	2.9%	60	2.2%	0	0.0%
\$150,000 to \$199,999	29,874	2.9%	1,102	2.7%	63	2.3%	0	0.0%
\$200,000 or more	24,666	2.4%	653	1.6%	39	1.4%	0	0.0%
55 +	739,248		32,163		2,232		693	
Less than \$10,000	65,296	8.8%	2,563	8.0%	126	5.6%	65	9.3%
\$10,000 to \$14,999	63,245	8.6%	3,149	9.8%	249	11.2%	108	15.6%
\$15,000 to \$19,999	54,268	7.3%	2,607	8.1%	214	9.6%	70	10.1%
\$20,000 to \$24,999	52,560	7.1%	2,848	8.9%	167	7.5%	50	7.1%
\$25,000 to \$29,999	45,337	6.1%	2,046	6.4%	125	5.6%	22	3.2%
\$30,000 to \$34,999	43,457	5.9%	1,939	6.0%	38	1.7%	0	0.0%
\$35,000 to \$39,999	38,875	5.3%	1,957	6.1%	171	7.7%	77	11.0%
\$40,000 to \$44,999	35,665	4.8%	1,417	4.4%	78	3.5%	7	0.9%
\$45,000 to \$49,999	31,449	4.3%	1,201	3.7%	159	7.1%	67	9.6%
\$50,000 to \$59,999	58,054	7.9%	2,600	8.1%	177	7.9%	44	6.4%
\$60,000 to \$74,999	66,305	9.0%	2,924	9.1%	213	9.5%	47	6.8%
\$75,000 to \$99,999	74,077	10.0%	2,867	8.9%	250	11.2%	83	12.0%
\$100,000 to \$124,999	44,662	6.0%	1,805	5.6%	91	4.1%	29	4.2%
\$125,000 to \$149,999	24,920	3.4%	893	2.8%	46	2.1%	0	0.0%
\$150,000 to \$199,999	21,655	2.9%	847	2.6%	81	3.6%	12	1.7%
\$200,000 or more	19,426	2.6%	503	1.6%	53	2.4%	14	2.0%

Source: 2011-5yr ACS (Census)

9 MARKET AREA ECONOMY

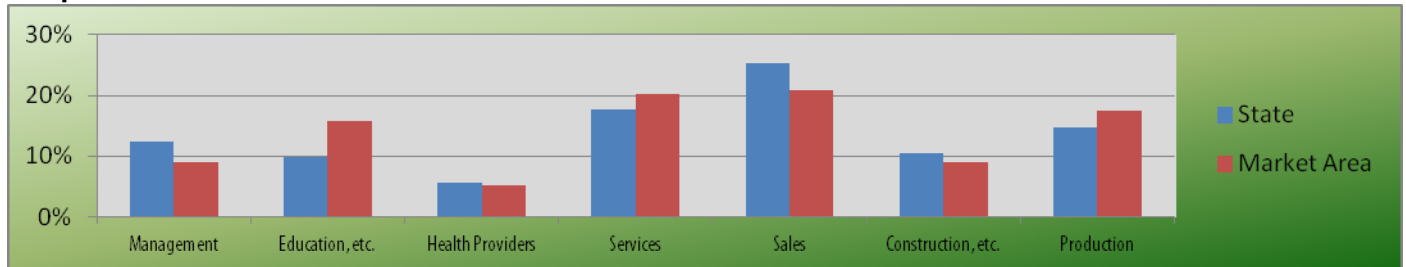
The economy of the market area will have an impact on the need for apartment units.

Occupation of Employed Persons Age 16 Years And Over

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total	1,999,063		80,174		5,294		1,203	
Management, business, science, and arts occupations:	639,009	32%	23,205	29%	1,808	34%	538	45%
Management, business, and financial occupations:	249,209	12%	8,453	11%	566	11%	89	7%
Management occupations	173,854	9%	5,942	7%	395	7%	64	5%
Business and financial operations occupations	75,355	4%	2,511	3%	171	3%	25	2%
Computer, engineering, and science occupations:	80,373	4%	2,780	3%	223	4%	25	2%
Computer and mathematical occupations	31,483	2%	1,043	1%	73	1%	0	0%
Architecture and engineering occupations	37,922	2%	1,378	2%	99	2%	12	1%
Life, physical, and social science occupations	10,968	1%	359	0%	52	1%	13	1%
Education, legal, community service, arts, and media occupations:	198,264	10%	7,317	9%	690	13%	343	29%
Community and social service occupations	34,337	2%	1,369	2%	72	1%	39	3%
Legal occupations	19,246	1%	493	1%	5	0%	0	0%
Education, training, and library occupations	117,367	6%	4,505	6%	508	10%	279	23%
Arts, design, entertainment, sports, and media occupations	27,314	1%	950	1%	106	2%	25	2%
Healthcare practitioners and technical occupations:	111,163	6%	4,655	6%	330	6%	81	7%
Health diagnosing and treating practitioners and other technical occupations	72,155	4%	2,977	4%	201	4%	81	7%
Health technologists and technicians	39,008	2%	1,678	2%	130	2%	0	0%
Service occupations:	353,430	18%	12,462	16%	792	15%	102	8%
Healthcare support occupations	44,181	2%	2,113	3%	215	4%	50	4%
Protective service occupations:	44,364	2%	1,223	2%	115	2%	0	0%
Fire fighting and prevention, and other protective service workers including supervisors	23,591	1%	605	1%	10	0%	0	0%
Law enforcement workers including supervisors	20,773	1%	618	1%	105	2%	0	0%
Food preparation and serving related occupations	120,050	6%	4,004	5%	150	3%	20	2%
Building and grounds cleaning and maintenance occupations	83,748	4%	2,660	3%	280	5%	32	3%
Personal care and service occupations	61,087	3%	2,462	3%	34	1%	0	0%
Sales and office occupations:	504,216	25%	20,811	26%	1,296	24%	289	24%
Sales and related occupations	233,729	12%	10,344	13%	585	11%	103	9%
Office and administrative support occupations	270,487	14%	10,467	13%	711	13%	186	15%
Natural resources, construction, and maintenance occupations:	209,357	10%	8,547	11%	559	11%	123	10%
Farming, fishing, and forestry occupations	10,636	1%	310	0%	80	2%	0	0%
Construction and extraction occupations	115,943	6%	4,302	5%	346	7%	96	8%
Installation, maintenance, and repair occupations	82,778	4%	3,935	5%	134	3%	27	2%
Production, transportation, and material moving occupations:	293,051	15%	15,149	19%	841	16%	151	13%
Production occupations	168,826	8%	9,805	12%	617	12%	118	10%
Transportation occupations	67,832	3%	2,696	3%	122	2%	0	0%
Material moving occupations	56,393	3%	2,648	3%	104	2%	33	3%

Source: 2011-5yr ACS (Census)

Occupation for the State and Market Area



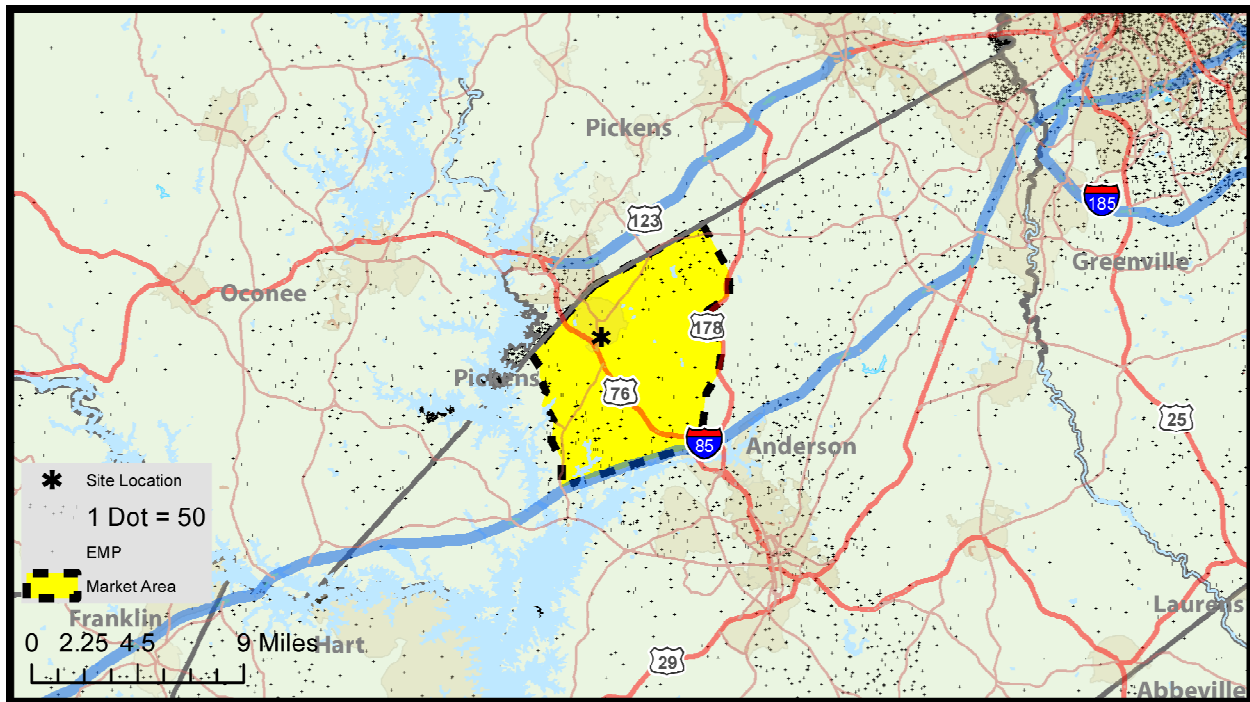
Industry of Employed Persons Age 16 Years And Over

	State	%	County	%	Market Area	%	City	%
Total:	1,999,063		80,174		5,294		1,203	
Agriculture, forestry, fishing and hunting, and mining:	21,131	1%	517	1%	61	1%	0	0%
Agriculture, forestry, fishing and hunting	19,990	1%	443	1%	61	1%	0	0%
Mining, quarrying, and oil and gas extraction	1,141	0%	74	0%	0	0%	0	0%
Construction	153,713	8%	5,885	7%	364	7%	96	8%
Manufacturing	275,557	14%	16,426	20%	1,048	20%	271	23%
Wholesale trade	55,080	3%	2,996	4%	210	4%	47	4%
Retail trade	241,558	12%	10,689	13%	549	10%	130	11%
Transportation and warehousing, and utilities:	97,956	5%	3,221	4%	197	4%	9	1%
Transportation and warehousing	72,582	4%	2,456	3%	137	3%	0	0%
Utilities	25,374	1%	765	1%	60	1%	9	1%
Information	36,010	2%	1,038	1%	76	1%	14	1%
Finance and insurance, and real estate and rental and leasing:	119,303	6%	3,353	4%	180	3%	0	0%
Finance and insurance	80,723	4%	2,293	3%	72	1%	0	0%
Real estate and rental and leasing	38,580	2%	1,060	1%	109	2%	0	0%
Professional, scientific, and management, and administrative and waste management services:	181,854	9%	5,111	6%	304	6%	41	3%
Professional, scientific, and technical services	95,168	5%	2,357	3%	159	3%	12	1%
Management of companies and enterprises	967	0%	47	0%	0	0%	0	0%
Administrative and support and waste management services	85,719	4%	2,707	3%	146	3%	29	2%
Educational services, and health care and social assistance:	426,188	21%	18,148	23%	1,633	31%	494	41%
Educational services	180,113	9%	6,762	8%	972	18%	345	29%
Health care and social assistance	246,075	12%	11,386	14%	661	12%	149	12%
Arts, entertainment, and recreation, and accommodation and food services:	193,760	10%	5,672	7%	217	4%	46	4%
Arts, entertainment, and recreation	33,014	2%	889	1%	81	2%	11	1%
Accommodation and food services	160,746	8%	4,783	6%	136	3%	35	3%
Other services, except public administration	98,073	5%	4,492	6%	190	4%	42	3%
Public administration	98,880	5%	2,626	3%	271	5%	13	1%

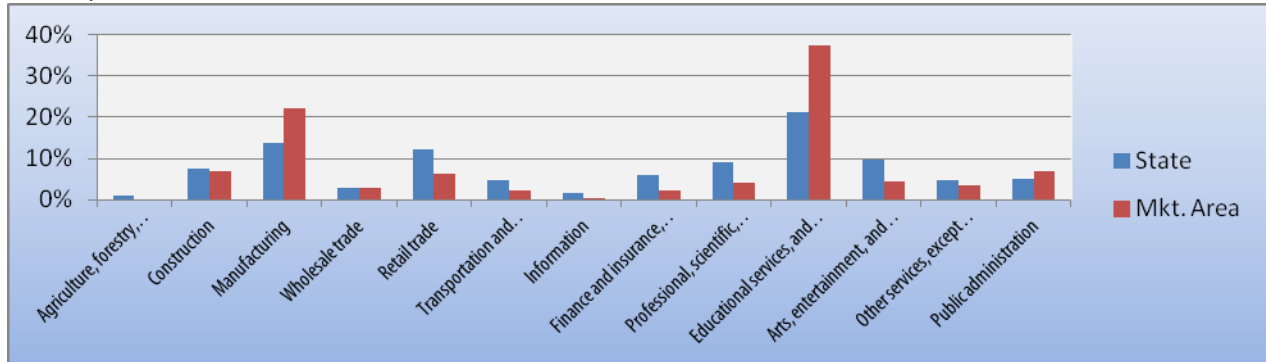
Source: 2011-5yr ACS (Census)

Note: Bold numbers represent category totals and add to 100%

EMPLOYMENT CONCENTRATIONS MAP



Industry for the State and Market Area



Source: 2011-5yr ACS (Census)

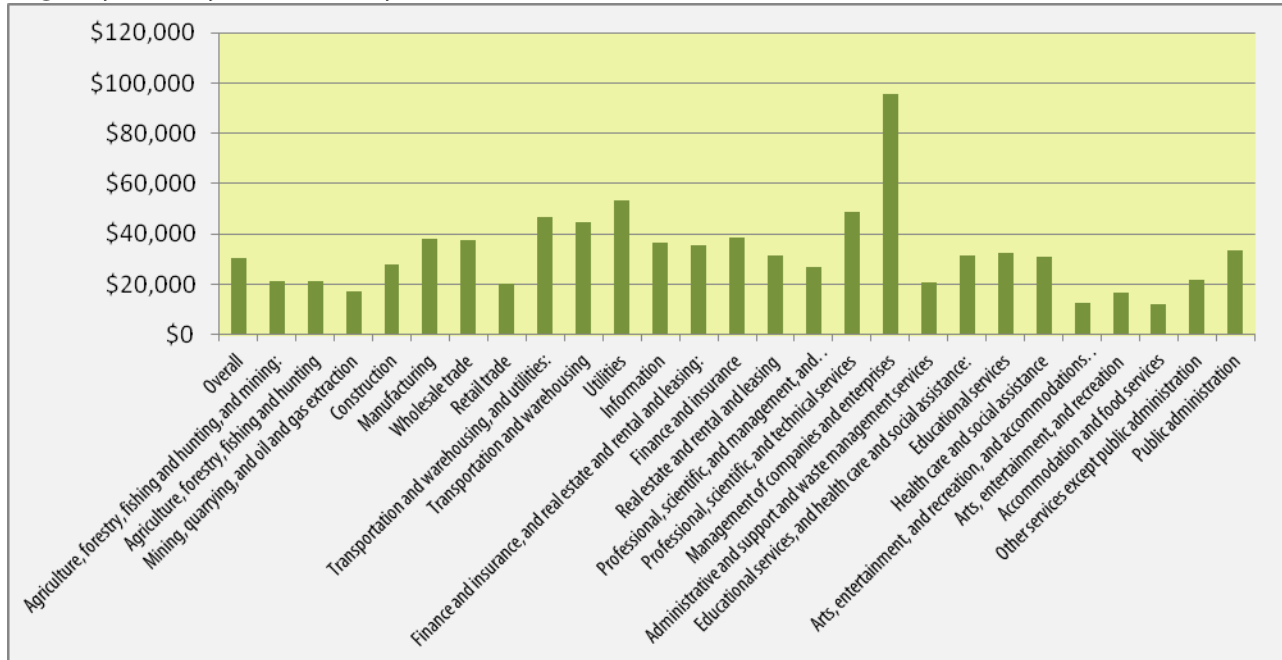
Median Wages by Industry

	<u>State</u>	<u>County</u>	<u>City</u>
Overall	\$30,192	\$30,181	\$24,970
Agriculture, forestry, fishing and hunting, and mining:			
Agriculture, forestry, fishing and hunting	\$24,671	\$21,009	—
Mining, quarrying, and oil and gas extraction	\$23,726	\$21,099	—
Construction	\$45,804	\$17,313	—
Manufacturing	\$30,393	\$27,740	\$27,931
Wholesale trade	\$38,068	\$38,258	\$35,302
Retail trade	\$36,945	\$37,520	\$18,281
Transportation and warehousing, and utilities:	\$20,083	\$20,464	\$11,786
Transportation and warehousing	\$41,296	\$46,490	—
Utilities	\$38,416	\$44,870	—
Information	\$51,732	\$53,250	—
Finance and insurance, and real estate and rental and leasing:	\$37,154	\$36,458	—
Finance and insurance	\$35,816	\$35,625	—
Real estate and rental and leasing	\$37,425	\$38,701	—
Professional, scientific, and management, and administrative and waste management services:	\$31,764	\$31,286	—
Professional, scientific, and technical services	\$32,299	\$26,999	\$12,330
Management of companies and enterprises	\$46,916	\$48,750	—
Administrative and support and waste management services	\$42,423	\$95,625	—
Educational services, and health care and social assistance:	\$21,812	\$20,513	\$11,648
Educational services	\$31,598	\$31,202	\$24,583
Health care and social assistance	\$33,823	\$32,507	\$15,509
Arts, entertainment, and recreation, and accommodations and food services:	\$30,305	\$30,769	\$34,612
Arts, entertainment, and recreation	\$13,970	\$12,717	\$63,000
Accommodation and food services	\$17,237	\$16,424	—
Other services except public administration	\$13,513	\$12,334	\$7,188
Public administration	\$21,979	\$21,829	\$47,500
	\$37,768	\$33,672	—

Source: 2011-5yr ACS (Census)

Note: Dashes indicate data suppressed by Census Bureau; no data is available for the market area.

Wages by Industry for the County



2011-5yr ACS (Census)

9.1 MAJOR EMPLOYERS

The following is a list of major employers in the county:

<u>Company</u>	<u>Employees</u>
AnMed Health	3,417
Anderson School District 5	1,759
Robert Bosch LLC	1,300
Electrolux Major Appliances	1,200
Anderson County Government	1,000
Techtronic Industries (Anderson & Pickens Co.)	1,000
Anderson School District 1	981
Nutra Manufacturing USA (Greenville & Anderson Co.)	899
Plastic Omnium LLC	604
Glen Raven Custom Fabrics	600
Walgreens Distribution	550
Anderson University	502
JPS Composite Materials	500

Source: Chamber of Commerce

9.2 NEW OR PLANNED CHANGES IN WORKFORCE

If there are any, they will be discussed in the Interviews section of the report.

9.3 EMPLOYMENT (CIVILIAN LABOR FORCE)

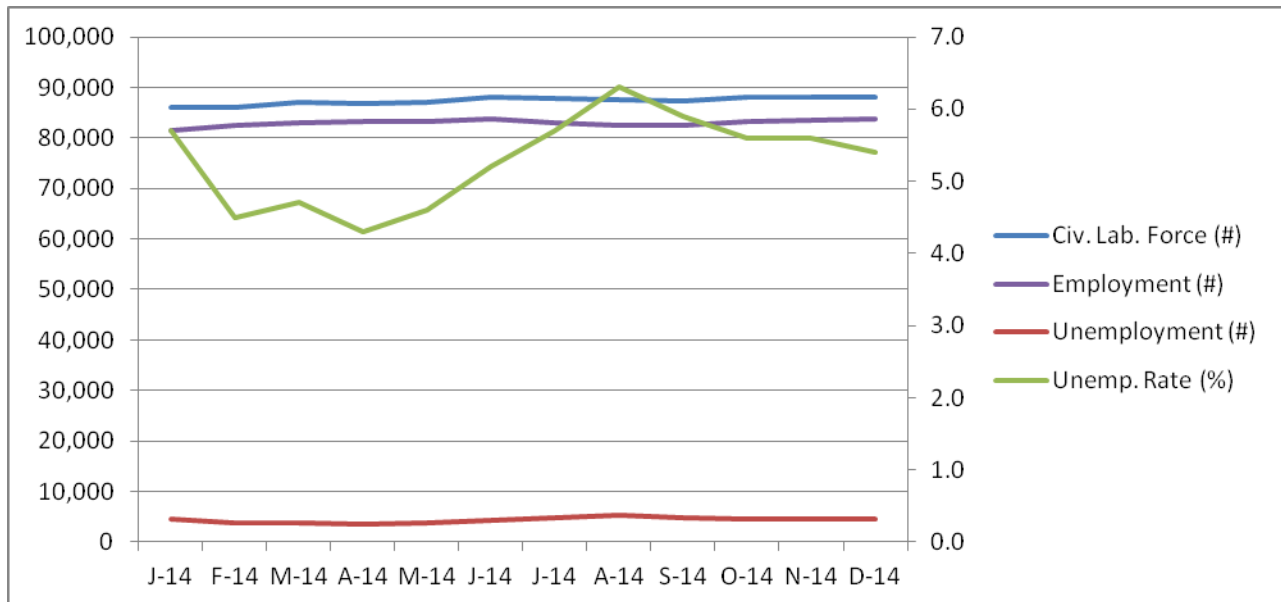
In order to determine how employment affects the market area and whether the local economy is expanding, declining, or stable, it is necessary to inspect employment statistics for several years. The table below shows the increase or decrease in employment and the percentage of unemployed at the county level. This table also shows the change in the size of the labor force, an indicator of change in housing requirements for the county.

Employment Trends

Year	Civilian Labor			Employment	Employment Change		Annual Change	
	Force	Unemployment	Rate (%)		Number	Pct.	Number	Pct.
2000	84,262	2,454	3.0	81,808	—	—	—	—
2011	85,382	7,621	9.8	77,761	-4,047	-4.9%	-368	-0.5%
2012	85,267	6,607	8.4	78,660	899	1.2%	899	1.2%
2013	86,575	5,512	6.8	81,063	2,403	3.1%	2,403	3.1%
J-14	86,093	4,643	5.7	81,450	387	0.5%		
F-14	86,146	3,710	4.5	82,436	986	1.2%		
M-14	86,986	3,905	4.7	83,081	645	0.8%		
A-14	86,891	3,582	4.3	83,309	228	0.3%		
M-14	87,157	3,833	4.6	83,324	15	0.0%		
J-14	88,002	4,350	5.2	83,652	328	0.4%		
J-14	87,806	4,735	5.7	83,071	-581	-0.7%		
A-14	87,691	5,197	6.3	82,494	-577	-0.7%		
S-14	87,402	4,869	5.9	82,533	39	0.0%		
O-14	87,995	4,666	5.6	83,329	796	1.0%		
N-14	88,061	4,670	5.6	83,391	62	0.1%		
D-14	88,193	4,518	5.4	83,675	284	0.3%		

Source: State Employment Security Commission

County Employment Trends



Source: State Employment Security Commission

9.4 WORKFORCE HOUSING

The subject is not located in an area that is drawn from for some other area (e.g., a resort area) so this topic is not relevant.

9.5 ECONOMIC SUMMARY

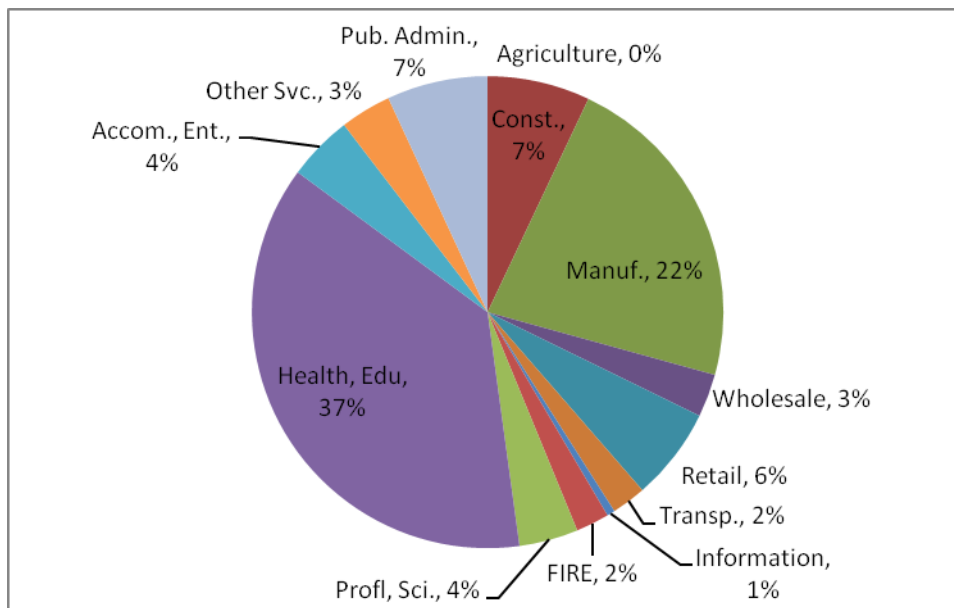
The largest number of persons in the market area is employed in the "Management, professional, and related occupations" occupation category and in the "Educational services, and health care and social assistance" industry category.

A change in the size of labor force frequently indicates a corresponding change in the need for housing. The size of the labor force has been increasing over the past several years.

Employment has been increasing over the past several years. For the past 12 months the unemployment rate has varied from 4.3% to 6.3%; in the last month reported it was 5.4%.

A downturn in the economy and thus a corresponding increase in unemployment will impact LIHTC properties without rental assistance. LIHTC properties without rental assistance require tenants who either earn enough money to afford the rent or have a rent subsidy voucher. When there is an increase in unemployment, there will be households where one or more employed persons become unemployed. Some households that could afford to live in the proposed units will no longer have enough income. By the same token, there will be other households that previously had incomes that were too high to live in the proposed units that will now be income qualified.

Percent of Workers by Occupation for the Market Area



Source: 2011-5yr ACS (Census)

10 INCOME RESTRICTIONS AND AFFORDABILITY

Several economic factors need to be examined in a housing market study. Most important is the number of households that would qualify for apartments on the basis of their incomes. A variety of circumstances regarding restrictions and affordability are outlined below.

These minimum and maximum incomes are used to establish the income *range* for households entering the project. Only households whose incomes fall within the range are considered as a source of demand.

Income data have been shown separately for owner and renter households. Only the renter household income data are used for determining demand for rental units.

Gross rent includes utilities, but it excludes payments of rental assistance by federal, state, and local entities. In this study, gross rent is always monthly.

10.1 HOUSEHOLDS RECEIVING HUD RENTAL ASSISTANCE

The lower limit of the acceptable income range for units with rental assistance is zero income. The upper limit of the acceptable income range for units with HUD rental assistance is established by the HUD guidelines. HUD allows very low income households (50% AMI or less) to receive rental assistance in the general case, and low income households (80% AMI or less) in some cases. HUD also requires that 75% of rental assistance to go to households at or below the 30% AMI level. For the purpose of this study, the tax credit set aside will be used to compute the income limits.

10.2 HOUSEHOLDS NOT RECEIVING RENTAL ASSISTANCE

Most households do not receive rental assistance. With respect to estimating which households may consider the subject a possible housing choice, we will evaluate the gross rent as a percent of their income according to the following formula:

$$\text{gross rent} \div X\% \times 12 \text{ months} = \text{annual income}$$

X% in the formula will vary, depending on the circumstance, as outlined in the next two sections.

10.3 HOUSEHOLDS QUALIFYING FOR TAX CREDIT UNITS

Households who earn less than a defined percentage (usually 50% or 60%) of the county or MSA median income as adjusted by HUD (AMI) qualify for low income housing tax credit (LIHTC) units. Therefore, feasibility for projects expecting to receive tax credits will be based in part on the incomes required to support the tax credit rents.

For those tax credit units occupied by low income households, the monthly gross rent should not realistically exceed 35% of the household income. However, elderly households can afford to pay a larger portion of their incomes on housing than family households. Elderly households should not realistically exceed 40% of the household income.

10.4 HOUSEHOLDS LIVING IN MARKET RATE UNITS

Minimum incomes for low (and sometimes moderate) income households in market rate units have been calculated the same as low income households in tax credit units (*i.e.*, 35% of income for gross rent).

The maximum likely income for market rate units is established by using 20% of income to be spent on gross rent.

Households in luxury/upscale apartments typically spend less than 30% of their income on rent plus utilities. In other words, the percent of income spent on rent goes down as the income goes up.

10.5 ESTABLISHING TAX CREDIT QUALIFYING INCOME RANGES

It is critical to establish the number of households that qualify for apartments under the tax credit program based on their incomes. The income ranges are established in two stages. First, the maximum incomes allowable are calculated by applying the tax credit guidelines. Then, minimum incomes required are calculated. According to United States Code, either 20% of the units must be occupied by households who earn under 50% of the area median gross income (AMI), OR 40% of the units must be occupied by households who earn under 60% of the AMI. Sometimes units are restricted for even lower income households. In many cases, the developer has chosen to restrict the rents for 100% of the units to be for low income households.

Maximum Income Limit (HUD FY 2014)

Pers.	VLIL	50%	60%
1	18,950	18,950	22,740
2	21,650	21,650	25,980
3	24,350	24,350	29,220
4	27,050	27,050	32,460
5	29,200	29,200	35,040
6	31,400	31,400	37,680
7	33,550	33,550	40,260
8	35,700	35,700	42,840

Source: Very Low Income (50%) Limit and 60% limit: HUD, Low and Very-Low Income Limits by Family Size
Others: John Wall and Associates, derived from HUD figures

The table above shows the maximum tax credit allowable incomes for households moving into the subject based on household size and the percent of area median gross income (AMI).

After establishing the maximum income, the lower income limit will be determined. The lower limit is the income a household must have in order to be able to afford the rent and utilities. The realistic lower limit of the income range is determined by the following formula:

Gross rent ÷ 35% [or 30% or 40%, as described in the subsections above] x 12 months = annual income

This provides for up to 35% [or 30% or 40%] of adjusted annual income (AAI) to be used for rent plus utilities.

The proposed gross rents, as supplied by the client, and the minimum incomes required to maintain 35% [or 30% or 40%] or less of income spent on gross rent are:

Minimum Incomes Required and Gross Rents

	<u>Bedrooms</u>	<u>Number of Units</u>	<u>Net Rent</u>	<u>Gross Rent</u>	<u>Minimum Income Required</u>	<u>Target Population</u>
50%	1	8	495	566	\$0	PBRA
60%	1	32	495	566	\$0	PBRA

Source: John Wall and Associates from data provided by client

From the tables above, the practical lower income limits for units *without* rental assistance can be established. Units *with* rental assistance will use \$0 as their lower income limit.

When the minimum incomes required are combined with the maximum tax credit limits, the income *ranges* for households entering the project can be established. Only households whose incomes fall within the ranges can be considered as a source of demand. Note that *both* the income limits *and* the amount of spread in the ranges are important.

10.6 QUALIFYING INCOME RANGES

The most important information from the tables above is summarized in the table below. Income requirements for any PBRA units will be calculated for the contract rent.

Qualifying Income Ranges by Bedrooms and Persons Per Household

<u>AMI</u>	<u>Bedrooms</u>	<u>Persons</u>	<u>Gross Rent</u>	<u>Income Based Lower Limit</u>	<u>Spread Between Limits</u>	<u>Upper Limit</u>
50%	1	1	566	16,980	1,970	18,950
50%	1	2	566	16,980	4,670	21,650
60%	1	1	566	16,980	5,760	22,740
60%	1	2	566	16,980	9,000	25,980

Sources: Gross rents: client; Limits: tables on prior pages; Spread: calculated from data in table

10.7 UPPER INCOME DETERMINATION

The income limit for all elderly units is calculated on 2 persons, regardless of number of bedrooms.

10.8 PROGRAMMATIC AND PRO FORMA RENT ANALYSIS

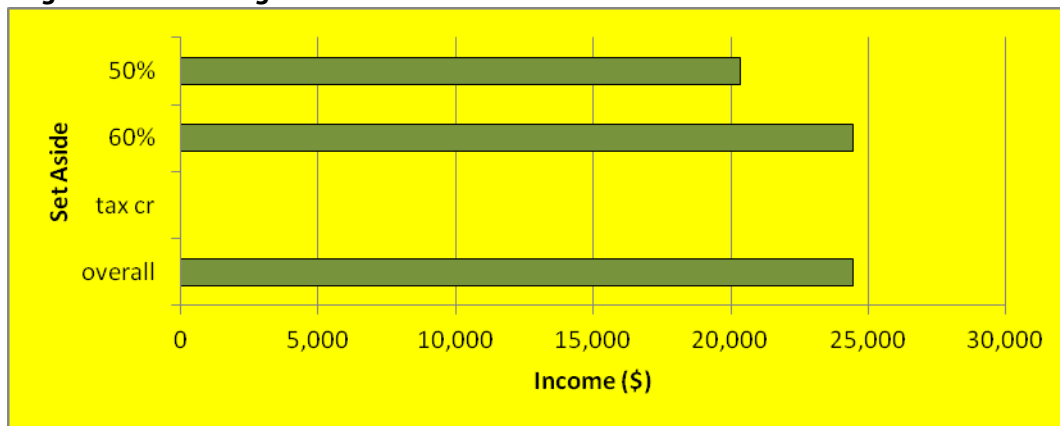
The table below shows a comparison of programmatic rent and *pro forma* rent.

Qualifying and Proposed and Programmatic Rent Summary

	1-BR
50% Units	
Number of Units	8
Max Allowable Gross Rent	\$507
Pro Forma Gross Rent	\$566
Difference (\$)	-\$59
Difference (%)	-11.6%

60% Units	
Number of Units	32
Max Allowable Gross Rent	\$609
Pro Forma Gross Rent	\$566
Difference (\$)	\$43
Difference (%)	7.1%

Targeted Income Ranges



An income range of \$0 to \$20,300 is reasonable for the 50% AMI PBRA units.

An income range of \$0 to \$24,360 is reasonable for the 60% AMI PBRA units.

An income range of \$0 to \$24,360 is reasonable for the project overall.

10.9 HOUSEHOLDS WITH QUALIFIED INCOMES

The table below shows income levels for renters and owners separately. The number and percent of income qualified *renter* households is calculated from this table.

Number of Specified Households in Various Income Ranges by Tenure

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Owner occupied:	1,226,873		53,282		3,659		879	
Less than \$5,000	27,356	2.2%	1,032	1.9%	50	1.4%	0	0.0%
\$5,000 to \$9,999	35,300	2.9%	1,433	2.7%	48	1.3%	20	2.3%
\$10,000 to \$14,999	60,463	4.9%	2,780	5.2%	253	6.9%	126	14.3%
\$15,000 to \$19,999	60,462	4.9%	3,076	5.8%	270	7.4%	68	7.7%
\$20,000 to \$24,999	64,197	5.2%	3,121	5.9%	242	6.6%	82	9.3%
\$25,000 to \$34,999	127,190	10.4%	6,049	11.4%	280	7.7%	35	4.0%
\$35,000 to \$49,999	178,235	14.5%	7,340	13.8%	525	14.3%	172	19.6%
\$50,000 to \$74,999	252,114	20.5%	11,807	22.2%	904	24.7%	143	16.3%
\$75,000 to \$99,999	170,124	13.9%	7,426	13.9%	575	15.7%	157	17.9%
\$100,000 to \$149,999	161,380	13.2%	6,226	11.7%	279	7.6%	50	5.7%
\$150,000 or more	90,052	7.3%	2,992	5.6%	235	6.4%	26	3.0%
Renter occupied:	531,859		19,237		1,277		461	
Less than \$5,000	44,306	8.3%	1,553	8.1%	30	2.3%	15	3.3%
\$5,000 to \$9,999	54,337	10.2%	2,343	12.2%	211	16.5%	169	36.7%
\$10,000 to \$14,999	54,076	10.2%	2,378	12.4%	141	11.0%	50	10.8%
\$15,000 to \$19,999	50,707	9.5%	1,906	9.9%	87	6.8%	31	6.7%
\$20,000 to \$24,999	45,711	8.6%	1,980	10.3%	80	6.3%	15	3.3%
\$25,000 to \$34,999	77,822	14.6%	2,957	15.4%	263	20.6%	51	11.1%
\$35,000 to \$49,999	83,086	15.6%	2,356	12.2%	243	19.0%	62	13.4%
\$50,000 to \$74,999	70,341	13.2%	2,318	12.0%	111	8.7%	14	3.0%
\$75,000 to \$99,999	29,671	5.6%	790	4.1%	72	5.6%	33	7.2%
\$100,000 to \$149,999	16,234	3.1%	543	2.8%	42	3.3%	21	4.6%
\$150,000 or more	5,568	1.0%	113	0.6%	0	0.0%	0	0.0%

Source: 2011 5yr ACS (Census)

The percent of renter households in the appropriate income ranges will be applied to the renter household growth figures to determine the number of new renter households that will be income qualified to move into each of the different unit types the subject will offer.

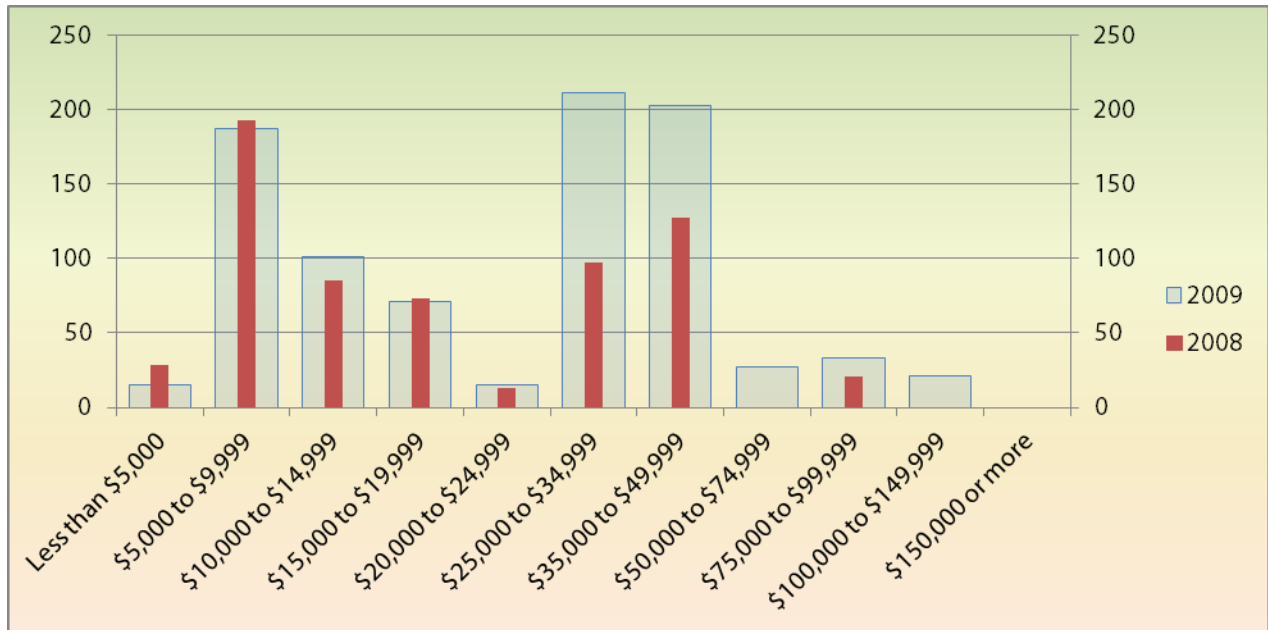
Percent of Renter Households in Appropriate Income Ranges for the Market Area

AMI		<u>PBRA</u>		<u>PBRA</u>		<u>Overall</u>	
Lower Limit		0		0		0	
Upper Limit		20,300		24,360		24,360	
	<u>Mkt. Area</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>
	<u>Households</u>						
Renter occupied:							
Less than \$5,000	30	1.00	30	1.00	30	1.00	30
\$5,000 to \$9,999	211	1.00	211	1.00	211	1.00	211
\$10,000 to \$14,999	141	1.00	141	1.00	141	1.00	141
\$15,000 to \$19,999	87	1.00	87	1.00	87	1.00	87
\$20,000 to \$24,999	80	0.06	5	0.87	70	0.87	70
\$25,000 to \$34,999	263	—	0	—	0	—	0
\$35,000 to \$49,999	243	—	0	—	0	—	0
\$50,000 to \$74,999	111	—	0	—	0	—	0
\$75,000 to \$99,999	72	—	0	—	0	—	0
\$100,000 to \$149,999	42	—	0	—	0	—	0
\$150,000 or more	0	—	0	—	0	—	0
Total	1,277		474		539		539
Percent in Range			37.1%		42.2%		42.2%

Source: John Wall and Associates from figures above

The table above shows how many renter households are in each income range. The number and percent are given in the last two rows (e.g., 474, or 37.1% of the renter households in the market area are in the PBRA range.)

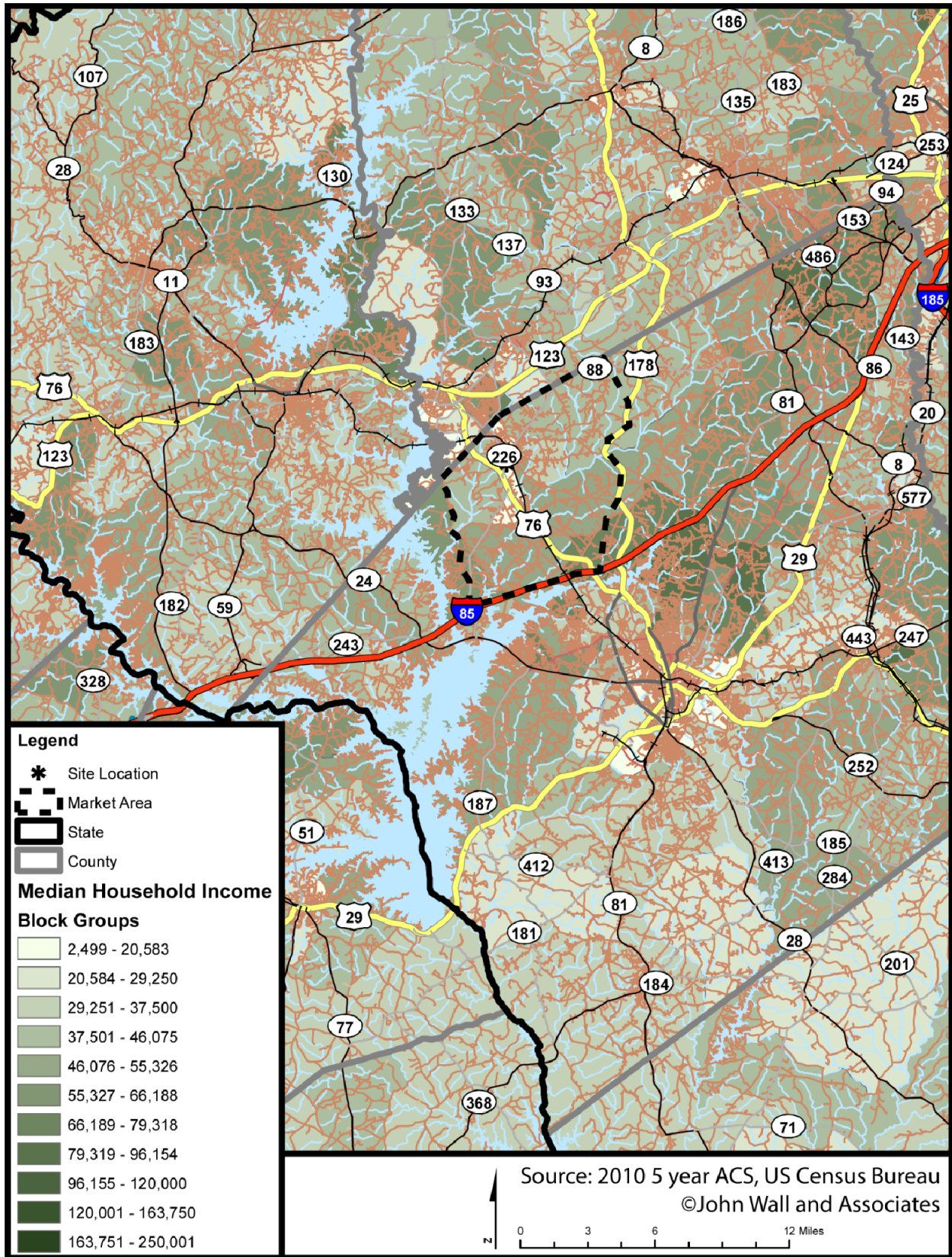
Change in Renter Household Income



Sources: 2010 and 2011-5yr ACS (Census)

The above table shows the change in renter households in various income ranges. The more current data is reflected on the left axis.

MEDIAN HOUSEHOLD INCOME MAP



11 DEMAND

11.1 DEMAND FROM NEW HOUSEHOLDS

11.1.1 NEW HOUSEHOLDS

It was shown in the Household Trends section of this study that 89 new housing units will be needed by the year of completion. It was shown in the Tenure section that the area ratio of rental units to total units is 14.5%. Therefore, 13 of these new units will need to be rental.

The table "Percent of Renter Households in Appropriate Income Ranges for the Market Area" shows the percentage of renter households in various income ranges. These percentages are applied to the total number of new rental units needed to arrive at the *number* of new rental units needed in the relevant income categories:

New Renter Households in Each Income Range for the Market Area

	New Renter Households	Percent Income Qualified	Demand due to new Households
50% AMI: \$0 to \$20,300	13	37.1%	5
60% AMI: \$0 to \$24,360	13	42.2%	5
Overall Project: \$0 to \$24,360	13	42.2%	5

Source: John Wall and Associates from figures above

11.2 DEMAND FROM EXISTING HOUSEHOLDS

11.2.1 DEMAND FROM RENT OVERBURDEN HOUSEHOLDS

A household is defined as rent overburdened when it pays 30% or more of its income on gross rent (rent plus utilities). Likewise, the household is *severely* rent overburdened if it pays 35% or more of its income on gross rent.

For tax credit units *without* rental assistance, households may pay 35% of their incomes for gross rent. Therefore, up to 35% of income for gross rent is used in establishing affordability in the "Demand from New Households" calculations. Hence, only *severely* (paying in excess of 35%) rent overburdened households are counted as a source of demand for tax credit units without rental assistance.

For units *with* rental assistance (tenants pay only 30% of their income for gross rent), any households paying more than 30% for gross rent would benefit by moving into the unit so all overburdened households in the relevant income range are counted as a source of demand.

The following table presents data on rent overburdened households in various income ranges.

Percentage of Income Paid For Gross Rent (Renter Households in Specified Housing Units)

	<u>State</u>		<u>County</u>		<u>Market Area</u>		<u>City</u>	
Less than \$10,000:	98,643		3,896		241		184	
30.0% to 34.9%	2,529	2.6%	98	2.5%	0	0.0%	0	0.0%
35.0% or more	61,392	62.2%	2,665	68.4%	185	76.8%	145	78.8%
\$10,000 to \$19,999:	104,783		4,284		228		81	
30.0% to 34.9%	6,758	6.4%	299	7.0%	22	9.6%	22	27.2%
35.0% or more	74,143	70.8%	3,070	71.7%	101	44.3%	28	34.6%
\$20,000 to \$34,999:	123,533		4,937		343		66	
30.0% to 34.9%	19,478	15.8%	843	17.1%	66	19.2%	0	0.0%
35.0% or more	47,803	38.7%	1,576	31.9%	135	39.4%	51	77.3%
\$35,000 to \$49,999:	83,086		2,356		243		62	
30.0% to 34.9%	7,875	9.5%	97	4.1%	0	0.0%	0	0.0%
35.0% or more	8,356	10.1%	158	6.7%	0	0.0%	0	0.0%
\$50,000 to \$74,999:	70,341		2,318		111		14	
30.0% to 34.9%	2,094	3.0%	0	0.0%	0	0.0%	0	0.0%
35.0% or more	2,477	3.5%	36	1.6%	0	0.0%	0	0.0%
\$75,000 to \$99,999:	29,671		790		72		33	
30.0% to 34.9%	325	1.1%	19	2.4%	0	0.0%	0	0.0%
35.0% or more	393	1.3%	9	1.1%	0	0.0%	0	0.0%
\$100,000 or more:	21,802		656		42		21	
30.0% to 34.9%	135	0.6%	0	0.0%	0	0.0%	0	0.0%
35.0% or more	244	1.1%	0	0.0%	0	0.0%	0	0.0%

Source: 2011-5yr ACS (Census)

From the table above, the number of rent overburdened households in each appropriate income range can be estimated in the table below. Note that the 30-35% table is only used for PBRA demand.

Rent Overburdened Households in Each Income Range for the Market Area

30% to 35% Overburden		<u>PBRA</u>		<u>PBRA</u>		<u>Overall</u>	
AMI		0		0		0	
Lower Limit		20,300		24,360		24,360	
Upper Limit		20,300		24,360		24,360	
	<u>Mkt. Area</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>
	<u>Households</u>						
Less than \$10,000:	0	1.00	0	1.00	0	1.00	0
\$10,000 to \$19,999:	22	1.00	22	1.00	22	1.00	22
\$20,000 to \$34,999:	66	0.02	1	0.29	19	0.29	19
\$35,000 to \$49,999:	0	—	0	—	0	—	0
\$50,000 to \$74,999:	0	—	0	—	0	—	0
\$75,000 to \$99,999:	0	—	0	—	0	—	0
\$100,000 or more:	0	—	0	—	0	—	0
Column Total	88		23		41		41

35%+ Overburden		<u>PBRA</u>		<u>PBRA</u>		<u>Overall</u>	
AMI		0		0		0	
Lower Limit		20,300		24,360		24,360	
Upper Limit		20,300		24,360		24,360	
	<u>Mkt. Area</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>
	<u>Households</u>						
Less than \$10,000:	185	1.00	185	1.00	185	1.00	185
\$10,000 to \$19,999:	101	1.00	101	1.00	101	1.00	101
\$20,000 to \$34,999:	135	0.02	3	0.29	39	0.29	39
\$35,000 to \$49,999:	0	—	0	—	0	—	0
\$50,000 to \$74,999:	0	—	0	—	0	—	0
\$75,000 to \$99,999:	0	—	0	—	0	—	0
\$100,000 or more:	0	—	0	—	0	—	0
Column Total	421		289		325		325

Source: John Wall and Associates from figures above

11.2.2 DEMAND FROM ELDERLY RENT OVERBURDENED HOUSEHOLDS

The table below shows elderly households that are rent overburdened.

Percent of Income Paid for Gross Rent by Age

	<u>State</u>		<u>County</u>		<u>Market Area</u>		<u>City</u>	
Total:	531,859		19,237		1,277		461	
Householder 15 to 24 years:	68,233		2,006		222		108	
35.0 percent or more	33,201	48.7%	890	44.4%	123	55.4%	82	75.9%
Householder 25 to 34 years:	141,052		3,829		146		44	
35.0 percent or more	47,542	33.7%	1,433	37.4%	33	22.6%	0	0.0%
Householder 35 to 64 years:	262,734		10,618		814		275	
35.0 percent or more	90,484	34.4%	3,866	36.4%	242	29.7%	123	44.7%
Householder 65 +	59,840		2,784		97		34	
35.0 percent or more	23,581	39.4%	1,325	47.6%	23	23.7%	19	55.9%

Source: 2011-5yr ACS (Census)

The following table shows the number of elderly rent overburdened households in the market area.

Rent Overburdened Elderly Households in the Market Area

	<u>Number</u>	<u>Percent</u>
55 +	120	32.5%
62 +	39	25.9%
65 +	23	23.7%

Source: 2011-5yr ACS (Census)

There are 39 elderly households in the 62+ age group. This number (39) will be multiplied by the percent of overburdened households in each income range from the *Rent Overburdened Households in Each Income Range for the Market Area* table above.

Elderly Rent Overburdened Households in Each Income Range for the Market Area

<u>AMI</u>	<u>PBRA</u>	<u>PBRA</u>	<u>Overall</u>	
Elderly Rent Overburden HH in Age group		39	39	39
Rent Overburden HH in Income Range		0.686	0.773	0.77
Income Qualified Elderly Rent Overburden		27	30	30

Source: John Wall and Associates from numbers shown previously

11.2.3 DEMAND FROM SUBSTANDARD CONDITIONS

The Bureau of the Census defines substandard conditions as 1) lacking plumbing, or 2) 1.01 or more persons per room.

Substandard Occupied Units

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Owner occupied:	1,226,873		53,282		3,659		879	
Complete plumbing:	1,222,823	100%	53,066	100%	3,659	100%	879	100%
1.00 or less	1,210,054	99%	52,232	98%	3,606	99%	879	100%
1.01 to 1.50	9,845	1%	660	1%	53	1%	0	0%
1.51 or more	2,924	0%	174	0%	0	0%	0	0%
Lacking plumbing:	4,050	0%	216	0%	0	0%	0	0%
1.00 or less	3,955	0%	216	0%	0	0%	0	0%
1.01 to 1.50	54	0%	0	0%	0	0%	0	0%
1.51 or more	41	0%	0	0%	0	0%	0	0%
Renter occupied:	531,859		19,237		1,277		461	
Complete plumbing:	527,765	99%	18,853	98%	1,231	96%	461	100%
1.00 or less	505,927	95%	18,360	95%	1,189	93%	461	100%
1.01 to 1.50	13,642	3%	323	2%	23	2%	0	0%
1.51 or more	8,196	2%	170	1%	20	2%	0	0%
Lacking plumbing:	4,094	1%	384	2%	46	4%	0	0%
1.00 or less	3,927	1%	384	2%	46	4%	0	0%
1.01 to 1.50	88	0%	0	0%	0	0%	0	0%
1.51 or more	79	0%	0	0%	0	0%	0	0%
Total Renter Substandard					89			

Source: 2011-5yr ACS (Census)

From these tables, the need from substandard rental units can be drawn. There are 89 substandard rental units in the market area. Because 16.7% of the renter households have an elderly 62+ householder, we can determine there are 15 elderly substandard rental units.

From the figures above the number of substandard units in each appropriate income range can be estimated in the table below.

Substandard Conditions in Each Income Range for the Market Area

	<u>Total</u> <u>Substandard</u> <u>Units</u>	<u>Percent</u> <u>Income</u> <u>Qualified</u>	<u>Demand</u> <u>due to</u> <u>Substandard</u>
50% AMI: \$0 to \$20,300	15	37.1%	6
60% AMI: \$0 to \$24,360	15	42.2%	6
Overall Project: \$0 to \$24,360	15	42.2%	6

Source: John Wall and Associates from figures above

11.2.4 DEMAND FROM ELDERLY TENURE

Many elderly wish to remain in the same community but are unable to or do not want to “keep up with” all that owning a home requires. However, because apartments are either in too short supply or do not exist in their community, they are unable to make that move.

If the state’s condition is interpreted to be the norm regarding the percentage of elderly that desire to rent, then the market area has a standard to be compared to.

Occupied Housing Units by Tenure and Age of Householder

	<u>State</u>		<u>Market Area</u>	
55+ Owners	623,572	82.0%	1,935	84.5%
55+ Renters	137,103	18.0%	356	15.5%
62+ Owners	429,508	83.1%	1,371	85.5%
62+ Renters	87,316	16.9%	232	14.5%
65+ Owners	346,022	83.3%	1,104	85.8%
65+ Renters	69,391	16.7%	183	14.2%

Source: 2010 Census

As can be seen in the above table, 16.9% of the state’s elderly 62+ households rent, while 14.5% of the market area’s elderly households rent. This indicates there should be room in the market for apartments to house elderly homeowners who want to move into apartments.

11.2.5 OTHER DEMAND

SCSHFDA market study requirements allow for the inclusion of other demand factors when appropriate. Under RD 515 regulations, a 515 property can be occupied by households 62 or older or households with a physical handicap.

According to the 2013 ACS there are 262 persons with a disability in the market area. The following table estimates the number of disabled households qualified for each income range.

Disabled Householder

	<u>Households</u>	<u>Qualified</u>	<u>Households</u>
50% AMI: \$0 to \$20,300	262	37.1%	97
60% AMI: \$0 to \$24,360	262	42.2%	111
Overall Project: \$0 to \$24,360	262	42.2%	111

Source: 2011-5yr ACS (Census)

12 DEMAND FOR NEW UNITS

The demand components shown in the previous section are summarized below.

	50% AMI: \$0 to \$20,300	60% AMI: \$0 to \$24,360	Overall Project: \$0 to \$24,360
New Housing Units Required	5	5	5
Rent Overburden Households	27	30	30
Substandard Units	6	6	6
Elderly Tenure	14	16	16
Other: Disability	97	111	111
Demand	149	168	168
Less New Supply	0	0	0
NET DEMAND	149	168	168

* Numbers may not add due to rounding.

State Housing Exhibit-S states:

"In cases where the proposed rents for projects with Project Based Rental Assistance are higher than the maximum allowable LIHTC rents, two separate demand analyses must be shown: One with the rental assistance (thereby allowing \$0 for the minimum income) and one without the rental assistance. For the second demand calculation without rental assistance, analysts should use tax credit rents regardless of market conditions."

Because the 50% AMI rents are higher than the maximum allowable LIHTC rents, the second demand calculation is necessary. It appears on the following page.

13 DEMAND FOR NEW UNITS WITHOUT RENTAL ASSISTANCE

The demand components shown in the previous section are recalculated based on the assumption of no rental assistance, with the 50% AMI rents set to LIHTC maximum. This calculation does not reflect the project as proposed.

	50% AMI: \$16,320 to \$20,350	60% AMI: \$16,980 to \$24,420	Overall Tax Credit: \$16,320 to \$24,420
New Housing Units Required	1	1	1
Rent Overburden Households	3	4	5
Substandard Units	1	1	1
Elderly Tenure	0	0	0
Disability	16	17	19
Demand	21	23	26
Less New Supply			
NET DEMAND	21	23	26

* Numbers may not add due to rounding.

14 SUPPLY ANALYSIS (AND COMPARABLES)

This section contains a review of statistical data on rental property in the market area and an analysis of the data collected in the field survey of apartments in the area.

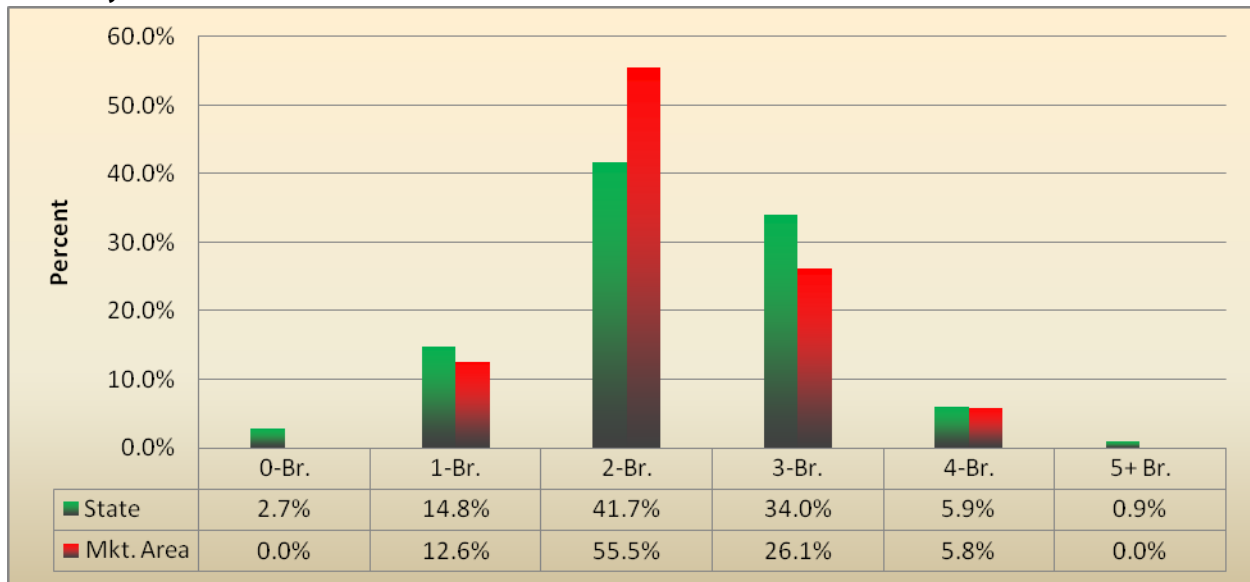
14.1 TENURE

Tenure by Bedrooms

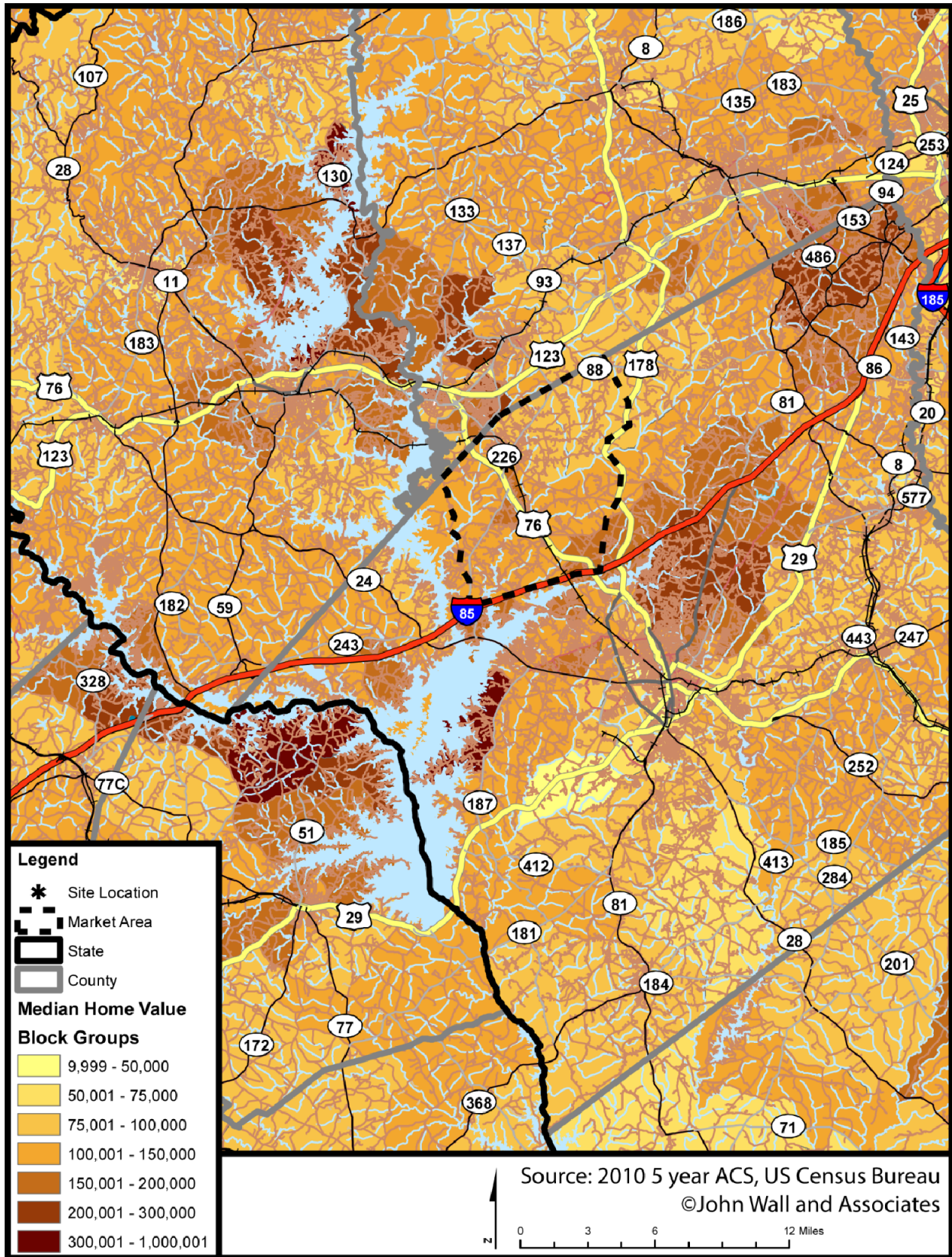
	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Owner occupied:	1,226,873		53,282		3,659		879	
No bedroom	3,158	0.3%	134	0.3%	5	0.1%	0	0.0%
1 bedroom	14,610	1.2%	806	1.5%	54	1.5%	27	3.1%
2 bedrooms	194,718	15.9%	9,455	17.7%	583	15.9%	150	17.1%
3 bedrooms	722,029	58.9%	32,017	60.1%	2,364	64.6%	592	67.3%
4 bedrooms	240,190	19.6%	9,246	17.4%	565	15.4%	84	9.6%
5 or more bedrooms	52,168	4.3%	1,624	3.0%	89	2.4%	26	3.0%
Renter occupied:	531,859		19,237		1,277		461	
No bedroom	14,446	2.7%	563	2.9%	20	1.6%	0	0.0%
1 bedroom	78,663	14.8%	2,477	12.9%	150	11.7%	71	15.4%
2 bedrooms	221,773	41.7%	8,938	46.5%	589	46.1%	227	49.2%
3 bedrooms	180,686	34.0%	6,166	32.1%	412	32.3%	112	24.3%
4 bedrooms	31,438	5.9%	853	4.4%	100	7.8%	51	11.1%
5 or more bedrooms	4,853	0.9%	240	1.2%	8	0.6%	0	0.0%

Source: 2011-5yr ACS (Census)

Tenure by Bedrooms for the State and Market Area



MEDIAN HOME VALUE MAP



14.2 BUILDING PERMITS ISSUED

Building permits are an indicator of the economic strength and activity of a community. While permits are never issued for a market area, the multi-family permits issued for the county and town are an indicator of apartments recently added to the supply:

Building Permits Issued

Year	County			City		
	Total	Single Family	Multi-Family	Total	Single Family	Multi-Family
2000	1,110	952	158	0	0	0
2001	1,117	995	122	0	0	0
2002	1,554	1,150	404	0	0	0
2003	1,384	1,092	292	0	0	0
2004	1,248	1,212	36	0	0	0
2005	1,931	1,415	516	0	0	0
2006	1,596	1,219	377	0	0	0
2007	1,226	1,156	70	0	0	0
2008	652	561	91	0	0	0
2009	280	280	0	0	0	0
2010	420	284	136	0	0	0
2011	280	268	12	0	0	0
2012	420	404	16	0	0	0
2013	572	530	42	0	0	0

Source: C-40, U.S. Dept. of Commerce, Bureau of the Census, "Housing Units Authorized by Building Permits"

14.3 SURVEY OF APARTMENTS

John Wall and Associates conducted a survey of apartments in the area. All of the LIHTC apartments in the market area were surveyed along with any other apartments of interest are surveyed. Some of them are included because they are close to the site, or because they help in understanding the context of the segment where the subject will compete. The full details of the survey are contained in the apartment photo sheets later in this report. A summary of the data focusing on rents is shown in the apartment inventory, also later in this report. A summary of vacancies sorted by rent is presented in the schedule of rents, units, and vacancies.

List of Apartments Surveyed

Name	Units	Vacancy Rate	Type	Comments
Edgewood Square	96	n/a	Sec 8	
Green Glen	24	4.2%	Conventional	
Heritage at Riverwood	366	n/a	Conventional	Rent comp
Heritage Pointe	176	n/a	Conventional; Sec 8=not accepted	Rent comp
Pendleton Gardens	50	0.0%	TC Sec 8	
Standing Oaks	32	0.0%	Conventional; non-student	
Village Square	40	0.0%	Sec 515 Elderly; PBRA=40	

14.4 NEW "SUPPLY"

SCSHFDA requires comparable units built since 2012 and comparable units built in previous years that are not yet stabilized to be deducted from demand. Only comparable units within comparable complexes will be deducted from demand, as indicated by the asterisks.

Apartment Units Built or Proposed Since the Base Year

Project Name	Year Built	Units With Rental Assistance	30% AMI, No Rental Assistance	50% AMI, No Rental Assistance	60% AMI, No Rental Assistance	Above Moderate Income	TOTAL
NONE							

* Units that will be deducted from demand; parenthetical numbers indicate partial comparability. I.e., 100(50*) indicates that there are 100 new units of which only half are comparable.

There are no pipeline units to deduct as new supply.

14.5 SCHEDULE OF PRESENT RENTS, UNITS, AND VACANCIES

The present housing situation is examined in this section. The rents, number of units, and vacancies of the apartments listed in the apartment inventory (shown separately later) are summarized in the tables below. Rents, units, and vacancies are tabulated separately for the various bedroom sizes, a necessary step in making bedroom mix recommendations.

The table below shows surveyed apartment complexes *without* rent subsidy in or near the market area. The *pro forma* rents, as given by the developer, are shown in orange in the table below. These rents will be compared to the other apartments in the area, and especially the comparable apartments to determine if they are reasonable. In addition to seeing how the *pro forma* rents compare in terms of absolute rents in the following table, it will be important to consider the amenities and locations of the other apartments.

Schedule of Rents, Number of Units, and Vacancies for *Unassisted* Apartment Units

1-Bedroom Units			2-Bedroom Units			3-Bedroom Units			4-Bedroom Units		
Rents	Units	Vacancies	Rents	Units	Vacancies	Rents	Units	Vacancies	Rents	Units	Vacancies
			24	1	400						
			32	0	460						

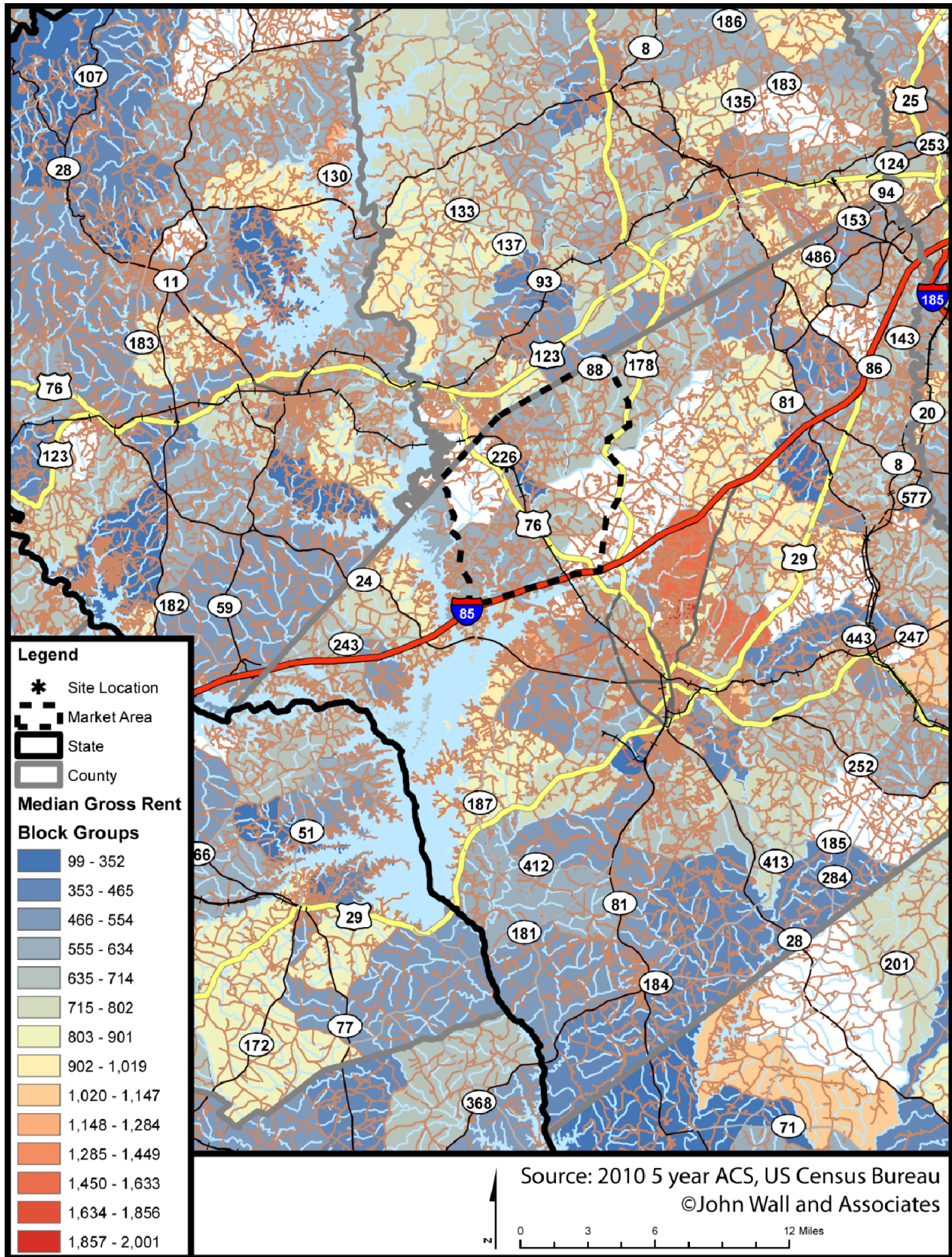
Source: John Wall and Associates

A vacancy rate of 7.0% is considered normal. The overall vacancy rate in the market is 1.8%.

14.6 OTHER AFFORDABLE HOUSING ALTERNATIVES

The market area contains other apartments with comparable rents. These other apartments would be the primary other affordable housing alternatives. There are no reasons to believe the single family home and/or condominium market conditions will adversely impact the project. According to the 2009 American Housing Survey (US Census Bureau), 70.8% of households living in apartments did not consider any other type of housing choice. Similar percentages apply to households who chose to live in single family homes and mobile homes. Based on these statistics, it is reasonable to conclude that for most households, apartments, single family homes, and mobile home are not interchangeable options.

MEDIAN GROSS RENT MAP



14.7 COMPARABLES

The apartments in the market most comparable to the subject are listed below:

Comparison of Comparables to Subject

<u>Project Name</u>	<u>Approximate Distance</u>	<u>Reason for Comparability</u>	<u>Degree of Comparability</u>
Village Square	0	Subject	Very good
Heritage at Riverwood	3 miles	Conventional 1-br units	Low
Heritage Pointe	4 miles	Conventional 1-br units	Low

There are no other elderly apartments in the market area, so there are no comparable units. The two market rent comparables are the two nearest apartments with one bedroom units and market rents.

14.8 PUBLIC HOUSING

There are 41 public housing units in Pendleton owned by the local public housing authority. The overall vacancy rate of the housing authority was 12% in 2014. There are 6 people on the waiting list for a housing authority unit. The local housing authority doesn't administer vouchers.

14.9 LONG TERM IMPACT OF THE SUBJECT ON EXISTING TAX CREDIT UNITS

The proposed housing units will have no impact on existing Tax Credit apartments. The subject will not be adding any new units to the market.

14.10 APARTMENT INVENTORY

The apartment inventory follows this page. Summary information is shown for each apartment surveyed and detailed information is provided on individual property photo sheets.

14.11 MARKET ADVANTAGE

See Appendix A for market rent calculations.

	<u>Bedrooms</u>	<u>Number of Units</u>	<u>Net Rent</u>	<u>Market Rent</u>	<u>Market Advantage</u>
50%	1	8	495	559	11.4%
60%	1	32	495	559	11.4%

The subject was compared to several conventional properties in or near the market area. The calculations show all of the subject's proposed rents to have market advantages greater than 10%. This calculation is performed on the subject contract rents.

APARTMENT INVENTORY

Pendleton, South Carolina (PCN: 15-024)

ID#	Apartment Name	Year Built vac%	Efficiency/Studio (e) One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom			COMMENTS
			Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	
	15-024 Subject Village Square (Proposed) 115 Shirley St. Pendleton 864-646-8205 Mary (1-29-2015)	1979	40	0	PBRA									WL=10 Sec 515 Elderly; PBRA=40 *Gazebo and computer center	
	Edgewood Square 950 Cherry St. Pendleton Antonio (1-27-2015) 864-646-9636 Cornerstone Properties 317-574-4700	1977	16		PBRA	80		PBRA						WL=1BR=6mo-1yr - 2br=short Sec 8 *Park **Pantry Mgr will not release vacancy info, but said she had a few; given the reported wait list, there must be few to no vacancies and apps being processed for the few units that are vacant.	
	Green Glen 205 Kirk Ln Pendleton Amber (3-2-2015) 864-654-1000	4.2%				24	1	400						WL=0 Conventional	
	Heritage at Riverwood 105 Heritage Riverwood Dr. Central Doyle Burton (2-24-2015) 877-525-6856 (mgt. co.) 864-647-0188 (house)	2002-2004	N/A	N/A	545-570	N/A	N/A	675-695						Conventional Owner will not release information; 336 total units; *Outside storage; more square footage in units with higher rent	
	Heritage Pointe 811 Issaqueena Trl. Central Lex Burton (2-23-2015) 864-653-7717	1990	56	NA	515	120	NA	575						WL=No Conventional; Sec 8=not accepted 50% students in Jan. 2012; Rents by unit; *Patio/balcony; Property mgmt would not participate in survey.	
	Pendleton Gardens 210 Kirk Ln Pendleton 864-646-3771 Judy (1-27-2015)	Built at least 30 years ago; 0%	20	0	PBRA	18	0	PBRA	8	0	PBRA	4	0	PBRA	WL=6mo-2yrs TC Sec 8 *Covered picnic area/grill; walking track
	Standing Oaks 401 Greenville St Pendleton Foothills Property Mgmt 864-654-1000	0%				32	0	460						Conventional; non-student Info from website 1-29-2015	
	Village Square - Subject (Present) 115 Shirley St. Pendleton 864-646-8205 Mary (1-29-2015)	1979 0%	40	0	PBRA									WL=10 Sec 515 Elderly; PBRA=40	

Map Number	Complex:	Year Built:	Amenities								Appliances								Unit Features								Two-Bedroom Size (s.f.)	Rent
			Laundry Facility	Tennis Court	Swimming Pool	Club House	Garages	Playground	Access/Security Gate	Other	Other	Refrigerator	Range/Oven	Dishwasher	Garbage Disposal	W/D Connection	Washer, Dryer	Microwave Oven	Other	Other	Fireplace	Free Cable	Furnished	Air Conditioning	Drapes/Blinds	Cable Pre-Wired		
15-024 Subject		1979	x		x				x	*	x	x		x	x	x					x	x	x	ws				
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	Sec 515 Elderly; PBRA=40																						
Edgewood Square		1977								*	x	x										x			ws	**	900	
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	Sec 8																						
Green Glen											x	x										x					950	
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	Conventional																						
						4.2%																						
Heritage at Riverwood		2002-2004				x	x				x	x	x	x	x	x						x	x	x	*	854		
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	Conventional																						
Heritage Pointe		1990				x	x	x			x	x	x	x	x	x						x	x	x	t	*	650	
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	Conventional; Sec 8=not accepted																						
Pendleton Gardens		Built at least				x				*	x	x	x	x	x							x	x	x	ws	831		
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	TC Sec 8																						
						0.0%																						
Standing Oaks						x					x	x										x	x	x	w	460		
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	Conventional; non-student																						
						0.0%																						
Village Square - Subject		1979				x					x	x										x	x	x	ws			
Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall	Sec 515 Elderly; PBRA=40																						
						0.0%																						

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	40	1	0	625	PBRA
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	40		0		

Complex:

15-024 Subject
 Village Square (Proposed)
 115 Shirley St.
 Pendleton
 864-646-8205
 Mary (1-29-2015)

Map Number:

Year Built:

1979

Last Rent Increase

Specials

Waiting List

WL=10

Subsidies

Sec 515 Elderly; PBRA=40

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- * Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- wst Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: *Gazebo and computer center



No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio				
One-Bedroom	16	1	600	PBRA
1 BR vacancy rate				
Two-Bedroom	80	1.5	900	PBRA
2 BR vacancy rate				
Three-Bedroom				
3 BR vacancy rate				
Four-Bedroom				
4 BR vacancy rate				
TOTALS	96			

Complex:

Edgewood Square
 950 Cherry St.
 Pendleton
 Antonio (1-27-2015)
 864-646-9636
 Cornerstone Properties
 317-574-4700

Map Number:

Year Built:
 1977

Last Rent Increase

Specials

Waiting List

WL=1BR=6mo-1yr - 2br=short

Subsidies

Sec 8

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- * Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- wst Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- ** Other

Comments: *Park **Pantry

Mgr will not release vacancy info, but said she had a few; given the reported wait list, there must be few to no vacancies and apps being processed for the few units that are vacant.



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate	24	1-1.5	1	950	400
4.2%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	4.2%	24	1		

Complex:
 Green Glen
 205 Kirk Ln
 Pendleton
 Amber (3-2-2015)
 864-654-1000

Map Number:

Year Built:

Last Rent Increase

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Specials

Waiting List

WL=0

Subsidies

Conventional

Comments:



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	N/A	1	N/A	600	545-570
1 BR vacancy rate					
Two-Bedroom	N/A	2	N/A	854	675-695
2 BR vacancy rate					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0	0			

Complex: Heritage at Riverwood

105 Heritage Riverwood Dr.
Central
Doyle Burton (2-24-2015)
877-525-6856 (mgt. co.)
864-647-0188 (house)

Map Number:

Year Built:
2002-2004

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Last Rent Increase

Specials

Waiting List

Subsidies
Conventional

Comments: Owner will not release information; 336 total units; *Outside storage; more square footage in units with higher rent



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	56	1	NA	470	515
1 BR vacancy rate					
Two-Bedroom	120	1	NA	650	575
2 BR vacancy rate					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	176		0		

Complex:

Heritage Pointe
 811 Issaqueena Trl.
 Central
 Lex Burton (2-23-2015)
 864-653-7717

Map Number:

Year Built:

1990

Last Rent Increase

Specials

Waiting List

WL=No

Subsidies

Conventional; Sec 8=not
 accepted

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: 50% students in Jan. 2012; Rents by unit; *Patio/balcony; Property mgmt would not participate in survey.



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	20	1	0	546	PBRA
1 BR vacancy rate	0.0%				
Two-Bedroom					
2 BR vacancy rate	0.0%				
Three-Bedroom					
3 BR vacancy rate	0.0%				
Four-Bedroom					
4 BR vacancy rate	0.0%				
TOTALS	0.0%	50	0		

Complex:

Pendleton Gardens
 210 Kirk Ln
 Pendleton
 864-646-3771
 Judy (1-27-2015)

Map Number:

Year Built:

Built at least
 30 years ago;
 rehabbed 2012

Last Rent Increase

Specials

Waiting List

WL=6mo-2yrs

Subsidies

TC Sec 8

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- * Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: *Covered picnic area/grill; walking track



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate	32	1	0		460
0.0%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	32	0		

Complex:

Standing Oaks
 401 Greenville St
 Pendleton
 Foothills Property Mgmt
 864-654-1000

Map Number:

Year Built:

Last Rent Increase

Specials

Waiting List

Subsidies

Conventional; non-student

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: Info from website 1-29-2015



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	40	1	0	625	PBRA
1 BR vacancy rate	0.0%				
Two-Bedroom					
2 BR vacancy rate					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	40	0		

Complex: Village Square - Subject (Present)

115 Shirley St.

Pendleton

864-646-8205

Mary (1-29-2015)

Map Number:

Year Built:

1979

Last Rent Increase

Specials

Waiting List

WL=10

Subsidies

Sec 515 Elderly; PBRA=40

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

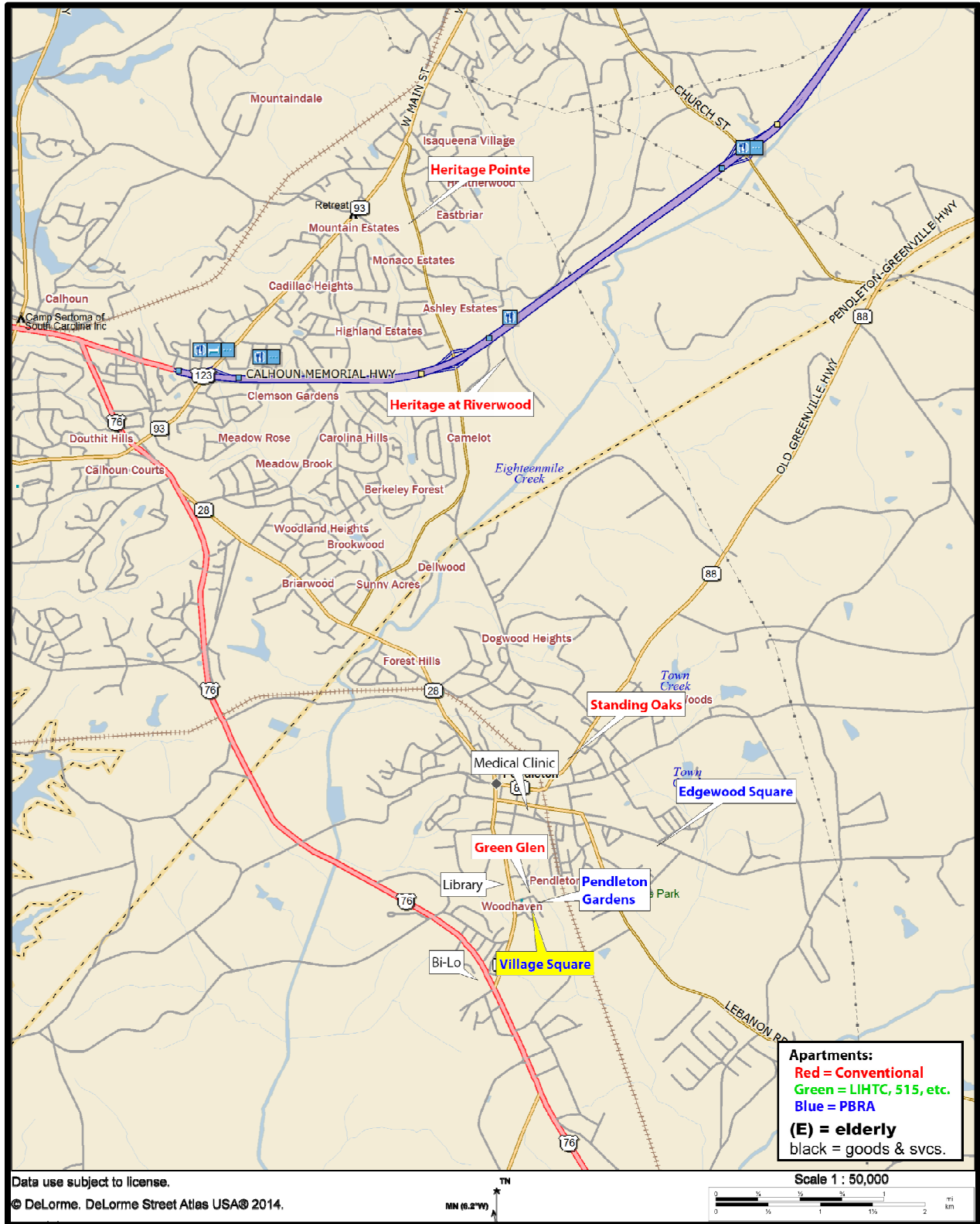
- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments:

APARTMENT LOCATIONS MAP



15 INTERVIEWS

The following interviews were conducted regarding demand for the subject.

15.1 APARTMENT MANAGERS

Judy, manager of Pendleton Gardens (Tax Credit/Section 8), said Village Square could use an update. She said it is always a good thing to improve a property for its residents. She said, "you can't go wrong with a rehab as long as you do it right and don't do just a halfway job". She said her property just got a rehab a few years ago and it really sets them apart from everyone else. She said her property received an increase in applicants after its rehab. Judy said Village Square will do well after the rehab and will see an increase in applications.

Mary Ann, site manager of Village Square (Subject/Section 515/Elderly/Full RA), said the proposed rehab is very much needed. She said the tenants are loyal and most have stayed at her property for twenty years or until they have passed away. She said the USDA rental assistance program is a great program that these elderly tenants need in order to survive off less than \$1,000 a month. She said all the proposed new amenities sound wonderful as well as the new kitchens and bathrooms. She said the tenants would be happier with washer/dryer connections in their units than dishwashers so adding these is excellent. Mary Ann said she was excited about the promising possibility for the proposed rehab.

15.2 ECONOMIC DEVELOPMENT

According to the Upstate South Carolina Alliance, there have been 13 companies to locate or expand in Anderson County within the past year, which will create a total of 796 new jobs. CRR Carbon Resources Recovery will locate and create 30 new jobs. Duke Energy will expand and create 25 new jobs. E & I Engineering will locate and create 250 new jobs. Viva Recycling will locate and create 14 new jobs. Fox Farm Soil and Fertilizer Company will locate and create 27 new jobs. Chomarat will expand and create 20 new jobs. Baldor Electric will expand and create 45 new jobs. Orian Rugs will expand and create 125 new jobs. Tetramer Technologies will expand and create 25 new jobs. First Quality Tissue will expand and create 200 new jobs. Glen Raven will expand and create 10 new jobs. Tactical Medical Solutions will expand and create 15 new jobs. Stanco Metal Products will expand and create 10 new jobs.

On the down side, according to the SC Works Warn Notices there has been one company to close in Anderson County within the past year. Metrolina Greenhouses closed in Pendleton with 57 jobs lost.

16 APPENDIX A – MARKET RENTS

UNRESTRICTED MARKET RENT ANALYSIS USING CONVENTIONAL PROJECTS

Project — PCN:15-024

Pendleton, South Carolina

Project Name	Year Built	Number Of Units	Vacancy Rate	FACTOR:							Total Points 1BR	Total Points 2BR	Total Points 3BR	Rent			Comparability Factor	
				Location/Neighborhood	Design/Layout	Appearance/Condition	Amenities	Unit Size 1BR	Unit Size 2BR	Unit Size 3BR				Age	1BR	2 BR		3 BR
Heritage at Riverwood	2002	336	n/a	7	7	8	8	6.0	6.5	—	8	80.0	81.0	—	558 *	685 *		1.0
Heritage Pointe	1990	176	n/a	8	8	8	7	4.7	4.5	—	6.5	77.9	77.5	—	515	575		1.0
SUBJECT		40	0.0	7	7	9	6	6.3	—	—	8	78.6	—	—	495			N/A
													541					
													8.5%					

Weighted average market rents for subject

Market advantage for subject's highest rent

0 = Poor; 10 = Excellent: Points are relative and pertain to this market only

m = FmHa Market rent; * = Average; a = Approximate; Points for the age of a project represent an average of the original construction and the rehabilitation

Where information is unattainable, points may be awarded based on an estimate: This is also denoted by an "a"

g = garden; t = townhouse

b = adjusted age considering proposed renovations

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$$\frac{\text{market} - \text{subject}}{\text{market}} = \% \text{ mkt adv}$$

The two properties selected as market rent comparables are both market rate properties near the subject. They are three and four miles away, but are the closest market rate properties with one-bedroom units.

They are both B+ class properties. They are somewhat comparable in terms of location. Heritage Pointe is closer to a grocery store and other goods and services. Heritage at Riverwood is further from any goods and services. The subject has slightly larger units than Heritage at Riverwood and significantly larger units than Heritage Pointe. The proposed additions to the amenities package at the subject will improve its standing in the market considerably, although it will still be inferior to both comparables.

The street rents for the comparables are \$515 and \$558. The calculated street rent for the subject is \$541, which is within the range of the comparables.

The comparables do not provide water and sewer, which is included with the rent at the subject. The subject's rents are therefore adjusted up by \$18 (to \$559) to account for that difference.

17 APPENDIX B—DISABILITY

Rural Development Handbook 2-3560 sets forth the eligibility requirements for Elderly, Handicapped, and Disabled housing.

B. Who Can Be Counted as a Household Member?

A household may be made up of a variety of members and may have a specific definition. The following are examples of members and types:

- **Elderly families:** A household where the tenant, co-tenant, member, or co-member is at least 62 years old, or disabled, as defined below. An elderly family may include a person younger than 62 years of age. (To receive an elderly family deduction, the person who is elderly, disabled must be the tenant, cotenant, member, or co-member.)
- **Individual with Disabilities:** The term disability is considered equivalent to the term handicap. Eligibility requirements for fully accessible units are contained in 7 CFR 3560.154(g)(1)(i) and 3560.155(b). A person is considered to have a disability if either of the following two situations occur:

(1) As defined in section 501(b) of the Housing Act of 1949. The person is the head of household (or his or her spouse) and is determined to have an impairment which:

- (i) Is expected to be of long-continued and indefinite duration;
- (ii) Substantially impedes his or her ability to live independently; and
- (iii) Is of such a nature that such ability could be improved by more suitable housing conditions, or if such person has a developmental disability as defined in section 102(7) of the Developmental Disability and Bill of Rights Act (42 U.S.C. 6001(7)).

(2) As defined in the Fair Housing Act; the Americans with Disabilities Act; and section 504 of the Rehabilitation Act of 1973. The person has a physical or mental impairment which substantially limits one or more of such person's major life activities; a record of such impairment; or being regarded as having such an impairment. The term does not include current, illegal use of or addiction to a controlled substance. As used in this definition, physical or mental impairment includes:

- (i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine;
- (ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and

conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance), and alcoholism;

(iii) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working;

(iv) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities;

(v) Is regarded as having an impairment means:

(A) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by the borrower or management agent as constituting such a limitation;

(B) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or

(C) Has none of the impairments described in this definition but is treated by another person as having such an impairment.

18 NCHMA MARKET STUDY INDEX/CHECKLIST

A. Introduction: Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies.

B. Description and Procedure for Completing: The following components have been addressed in this market study. The page number of each component is noted below. Each component is fully discussed on that page or pages. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'V' (variation) with a comment explaining the conflict. (More detailed notations or explanations also acceptable)

C. Checklist:

1. Executive Summary	8	31. Existing rental housing discussion	56
2. Concise description of the site and adjacent parcels	12	32. Area building permits	59
3. Project summary	12	33. Comparable property discussion	*
4. Precise statement of key conclusions	11	34. Comparable property profiles	*
5. Recommendations and/or modification to project discussion	10	35. Area vacancy rates, including rates for Tax Credit and government-subsidized	59
6. Market strengths and weaknesses impacting project	10	36. Comparable property photos	*
7. Lease-up projection with issues impacting performance	8	37. Identification of waiting lists	*
8. Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	12	38. Narrative of subject property compared to comparable properties	V
9. Utilities (and utility sources) included rent and paid by landlord or tenant?	12	39. Discussion of other affordable housing options including homeownership	60
10. Project design description	12	40. Discussion of subject property on existing housing	60
11. Unit and project amenities; parking	12	41. Map of comparable properties	63
12. Public programs included	12	42. Description of overall rental market including share of market-rate and affordable properties	59
13. Date of construction/preliminary completion	15	43. List of existing and proposed LIHTC properties	59, V
14. Reference to review/status of project plans	14	44. Interviews with area housing stakeholders	64
15. Target population description	14	45. Availability of Housing Choice Vouchers	64
16. Market area/secondary market area description	27	46. Income levels required to live at subject site	45
17. Description of site characteristics	16	47. Market rent and programmatic rent for subject	NA, 46
18. Site photos/maps	16	48. Capture rate for property	9
19. Map of community services	63	49. Penetration rate for area properties	9 V
20. Visibility and accessibility evaluation	18	50. Absorption rate discussion	8
21. Crime information	19	51. Discussion of future changes in housing population	28
22. Population and household counts	28	52. Discussion of risks or other mitigating circumstances impacting project projection	10
23. Households by tenure	32	53. Preparation date of report	2
24. Distribution of income	35	54. Date of field work	18
25. Employment by industry	37	55. Certification	8
26. Area major employers	39	56. Statement of qualifications	16
27. Historical unemployment rate	41	57. Sources of data	**
28. Five-year employment growth	41	58. Utility allowance schedule	14
29. Typical wages by occupation	41		
30. Discussion of commuting patterns of area workers	27		

* Information on comparable properties, including profiles, and photographs, appear on the unnumbered photosheets, following page 63.

38(V): Some textual comparison is made on page 10, while numeric comparisons are made on page 59 and on the apartment inventory.

43(V) The page referenced shows proposed and newly constructed properties. Other existing properties are identified on the unnumbered inventory.

49(V) The client market study guide defines capture rate the way NCHMA defines penetration rate.

** Data are sourced where they are used throughout the study.

19 BUSINESS REFERENCES

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20 RÉSUMÉS

JOHN WALL

EXPERIENCE

PRESIDENT

JWA, Inc., Anderson, South Carolina (June, 1990 to Present)

JWA, Inc. is an information services company providing demographic and other types of data, as well as geographic information system services, mapping, and research to market analysts and other clients.

PRESIDENT

John Wall & Associates, Anderson, South Carolina (December, 1982 to Present)

John Wall & Associates is a planning and analysis firm specializing in real estate market analysis and land development consultation. Initially, the firm concentrated on work in the southeastern portion of the United States. In 1990, the work was expanded to the entire United States. John Wall & Associates (Anderson, South Carolina office) has completed over 2,500 market analyses, the majority of these being for apartment projects (both government and conventional). The firm has also done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis, and GIS projects. Clients have included private developers, governments, syndicators, and lending institutions.

CHURCHILL STATESIDE GROUP INVESTMENT COMMITTEE, (March 2011 to Present)

MIDLAND MORTGAGE INVESTMENT COMMITTEE, MMI (October, 1992 to November, 2001)

MIDLAND ADVISORY SERVICES COMMITTEE, MAS (October, 1992 to November, 2001)

MIDLAND EQUITY COMMITTEE, MEC (March, 1995 to November, 2001)

VISITING PROFESSOR OF SITE PLANNING (PART-TIME)

Clemson University College of Architecture, Planning Dept., Clemson, South Carolina (1985 & 1986)

PLANNING DIRECTOR

Planning Department, City of Anderson, South Carolina (September, 1980 to December, 1982)

PLANNER

Planning Department, City of Anderson, South Carolina (December 1978 to September, 1980)

CARTOGRAPHER

Oconee County Tax Assessors' Office, Walhalla, South Carolina (October, 1976 to January, 1977)

ASSISTANT ENGINEER

American Concrete Pipe Association, Vienna, Virginia (January, 1969 to March, 1969)

PROFESSIONAL ORGANIZATION

National Council of Housing Market Analysts (NCHMA) Member Delegate (2002-Present)

PUBLICATIONS

Conducting Market Studies in Rural Area, NCHMA Publications

EDUCATION

Continuing Education, National Council of Housing Market Analysts (2002-Present)

Multifamily Accelerated Processing (MAP) Certificate, HUD (May 2012)

Real Estate Development, Harvard University, Cambridge, Massachusetts (July, 1989)

Fundamentals of Real Estate Finance, Harvard University, Cambridge, Massachusetts (July, 1989)

Management of Planning & Design Firms, Harvard University, Cambridge, Massachusetts (August, 1984)

Master of City & Regional Planning, Clemson University, Clemson, South Carolina (May, 1980)

BS Pre-Architecture, Clemson University, Clemson, South Carolina (May, 1978)

Graduate of Manlius Military Academy, Manlius, New York (June, 1965)

MILITARY

U.S. Navy, Interim Top Secret Clearance (April, 1969 to October, 1973; Honorable Discharge)

BOB ROGERS

EXPERIENCE

SENIOR MARKET ANALYST

John Wall and Associates, Anderson, South Carolina (1992 to Present)

Responsibilities include: development of housing demand methodology; development of computer systems and technologies; analysis of demographic trends; creation and production of analytic maps and graphics; CRA compliance; courtroom presentation graphics.

MANAGER

Institute for Electronic Data Analysis, Knoxville, Tennessee (1990 to 1992)

Responsibilities included marketing, training new employees and users of US Bureau of the Census data products, and custom research.

CONSULTANT

Sea Ray Boats, Inc., Knoxville, Tennessee (1991)

Project included using various statistical techniques to create customer profiles that the senior management team used to create a marketing strategy.

CONSULTANT

Central Transport, High Point, North Carolina (1990)

Project included research and analysis in the area of driver retention and how to improve the company's turnover ratio.

PROFESSIONAL ORGANIZATION

National Council of Housing Market Analysts (NCHMA)

Executive Committee Member (2004-2010)

Standards Committee Co-Chair (2006-2010)

Standards Committee Vice Chair (2004-2006)

Member delegate (2002-Present)

PUBLICATIONS

Senior Housing Options, NCHMA White Paper draft

Field Work for Market Studies, NCHMA White Paper, 2011

Ten Things Developers Should Know About Market Studies, Affordable Housing Finance Magazine, 2007

Selecting Comparable Properties (best practices), NCHMA publication 2006

EDUCATION

Continuing education, National Council of Housing Market Analysts (2002 to present)

Multifamily Accelerated Processing (MAP) Certificate, HUD (May 2012)

MBA Transportation and Logistics, The University of Tennessee, Knoxville, Tennessee (1991)

BS Business Logistics, Penn State, University Park, Pennsylvania (1989)

JOE BURRISS

EXPERIENCE

SENIOR MARKET ANALYST AND RESEARCHER

John Wall & Associates, Anderson, South Carolina (1999 to present)

Responsibilities include: Author of numerous apartment market studies; make, review and evaluate recommendations regarding student housing analysis; collect and analyze multifamily rental housing information (both field and census); conduct site and location analysis.

MARKETING DIRECTOR

John Wall & Associates, Anderson, South Carolina (2003 to present)

Responsibilities include: Design marketing plans and strategies; client development.

PROFESSIONAL ORGANIZATION

National Council of Housing Market Analysts (NCHMA)

FHA Lender and Underwriting (MAP) Committee (2012-Present)

Member Delegate (2002-Present)

EDUCATION

Continuing Education, National Council of Housing Market Analysts (2002-Present)

Multifamily Accelerated Processing (MAP) Certificate, HUD (May 2012)

BS Marketing, Clemson University, Clemson, South Carolina (2002)